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APR 01 1999

CONTRACTING INSTRUCTION (CI): 99-1
MEMORANDUM FOR CI Distribution

SUBJECT: Resultant Clause Changes from Both the SDB Price Evaluation Adjustment Program and the HUBZone Price Evaluation Preference Program

The following clause changes have been made in accordance with FAC 97-10. Buyers' worksheets should be updated accordingly:

DELETED CLAUSES

1. Regulatory:

- I171.06 Incentive for Subcontracting with Small Businesses, Small Disadvantaged Businesses, Historically Black Colleges and Universities, and Minority Institutions (DFARS 252.219-7005)
(Deleted from DFARS.)
- K1.01 Small Business Program Representations
(FAR 52.219-1/basic clause)
(Replaced by K1.01-11. K1.01 is not applicable to DoD.)
- K1.01-2 Offeror Representations and Certifications - Commercial Items (Deviation)
(FAR 52.212-3)
(Replaced by K1.01-9 (non-HUBZone) and K1.01-10 (HUBZone).)
- K1.01-8 Small Business Program Representations (Alt I)
(FAR 52.219-1/Alt I)
(Replaced by K1.01-11. May be reinstated in September, 2000, if SDB PEA program is abolished.)

2. Local:

- I174.01 Manufacturing and Filling Points (Unrestricted)
(Replaced by I174.06.)
- I237.05 Notice of Evaluation Preference for SDB Concerns (Deviation)
(Bulk clause. SDB Preference Program was replaced by SDB PEA program, which is currently not applicable to DoD. This clause will be reinstated & revised if and when the SDB PEA program is reinstated for DoD.)



REVISED CLAUSES:**1. Regulatory:**

- I1.04 Contract Terms and Conditions Required to Implement Statutes or Executive Orders - Commercial Items
(FAR 52.212-5)
(Added new clauses to list and revised titles of 52.219-8 and -9.)
- I1.05* Contract Terms and Conditions Required to Implement Statutes or Executive Orders Applicable to Defense Acquisitions of Commercial Items
(DFARS 252.212-7001)
(Revised the title of 252.219-7003 and deleted reference to 252.219-7005.)
- I87 Obligation to Order when an SDB Price Preference Applies - DLAD
(DLAD 52.219-9001)
(No change but may be included.)
- I170 Utilization of Small Business Concerns
(FAR 52.219-8)
(Revised clause title, added definition of and references to HUBZone concerns, and revised the definition of a small business concern.)
- I171 Small Business Subcontracting Plan
(FAR 52.219-9)
(Revised clause title, added references to HUBZones, and added a requirement for a Standard Form 295: see paragraph (j).)
- I171.01 Small Business Subcontracting Plan (Alt I)
(FAR 52.219-9/I)
(Revised clause title, added references to HUBZones, and added a requirement for a Standard Form 295: see paragraph (j).)
- I171.01-1 Utilization of Indian Organizations and Indian-Owned Economic Enterprises
(FAR 52.226-1)
(Revised clause title embedded in paragraph (a).)
- I171.01-2 Small Business Subcontracting Plan (Alt II)
(FAR 52.219-9/II)
(Revised clause title, added references to HUBZones, revised clause title embedded in paragraph (i), and added a requirement for a Standard Form 295: see paragraph (j).)
- I171.01-3 Socioeconomic Proposal - DLAD
(DLAD 52.215-9002)
(Revised embedded clause title.)
- I171.07 Liquidated Damages - Subcontracting Plan
(FAR 52.219-16)
(Revised clause titles embedded in paragraphs (a) and (b).)

- I240 Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns
(FAR 52.219-23)
(Added lead-in to define inapplicability of SDB PEA program to DoD. Bulk clause.
Lead-in will be deleted upon reinstatement of SDB PEA for DoD.)
- I240.01 Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns (Alt I)
(FAR 52.219-23/Alt I)
(Added lead-in to define inapplicability of SDB PEA program to DoD. Lead-in will be
deleted if SDB PEA is reinstated for DoD.)
- K1.01-9 Offeror Representations and Certifications – Commercial Items (Alt I)
(FAR 52.212-3/Alt I)
(Required in commercial solicitations not subject to the HUBZone Act.)
- K2.01 Small Disadvantaged Business Status
(FAR 52.219-22)
(Instruction line: FAR cite change only.)
- M2.11 Evaluation – Commercial Items
(FAR 52.212-2)
(Revised – added (iv) under (a).)

2. Local:

- I174.03 Supply Commitment for Small Business Concerns (Natural Gas)
(Revised to accommodate HUBZone program.)
- I237.06 Manufacturing and Filling Points (HUBZones)
(Revised as a deviation from I237.)
- K1.01-7 Offeror's Representations and Certifications – Commercial Items (Cont'd)
(Revised to accommodate HUBZone and SDB PEA programs.)
- L2.01-1 Proposal Preparation Instructions and Past Performance Submission (Domestic)
(Revised to accommodate HUBZone program.)
- L63.19 Notice of Application of Price Evaluation Adjustment for SDB Concerns
(Reinstated and revised to accommodate SDB PEA program.)
- L96 Administration of the Small Business Subcontracting Program
(Revised titles.)
- L701 Offeror's Proposal (Natural Gas)
(Revised to accommodate HUBZone program.)
- L701.02 Offeror's Proposal (Alaska)
(Revised to add HUBZone and women-owned references.)
- L701.03 Offeror's Proposal
(Revised to add HUBZone and women-owned references.)

NEWS RELEASE

PRESS OFFICE

Release Date: March 22, 1999
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Contact: D.J. Caulfield (202) 205-6740
SBA News Releases: www.sba.gov/news/

BUSINESSES CAN NOW APPLY FOR SBA's JOB-CREATING HUBZone PROGRAM

WASHINGTON – The U.S. Small Business Administration (SBA) today announced that it is now accepting applications from businesses that want to participate in the agency's new HUBZone Empowerment Contracting program. This is a program designed to stimulate economic development and job creation in targeted urban and rural areas.

“This program can help open the doors of opportunity for small businesses in many locations throughout the country,” said SBA Administrator Aida Alvarez. **“I encourage small business owners to either go on-line or visit an SBA district office to see if you're qualified and fill out an application as soon as possible.”**

A HUBZone is a “historically underutilized business zone” and the program will provide contracting benefits to small businesses located in those areas.

Potential applicants can determine if their company is located within a HUBZone by using a new system available on the SBA's web site, at <http://www.sba.gov/hubzone>.

- more -

“We’re very excited about our state-of-the-art geographic mapping that will quickly tell potential applicants whether this program can help them. The web site also has other useful information, including a program guide, list of participating agencies and frequently asked questions,” said Richard Hayes, SBA’s Associate Deputy Administrator for Government Contracting and Minority Enterprise Development.

To apply, companies are encouraged to use the electronic application on the HUBZone web site. Applicants can also submit a paper application to SBA headquarters in Washington, D.C. The paper version can either be downloaded from the web or picked up at any local SBA district office.

The first-year goal of the program is to channel at least one percent of overall federal procurement to HUBZone small businesses, which at current federal spending levels equates to about \$2 billion in contracts. By year 2003 that goal rises to its maximum level of three percent, which translates to about \$6 billion.

To participate in the program, a small business’ principal office must be located in a HUBZone. More than 7,000 urban census tracts and 900 mostly rural counties currently qualify as HUBZones. All federally-recognized Native American reservations also qualify.

In addition, 35 percent of a participating firm’s workforce must reside within a HUBZone location. A qualified company also must be owned and operated by U.S. citizens. SBA is responsible for certifying that firms are eligible to participate and for reporting to Congress on the program’s success at increasing jobs and investment in HUBZones.

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