



THIS IS HOW IT WORKS – additional 10% discount Contracting Officers can use during evaluation process of the solicitation

A qualified HUBZone firm can win a competitive procurement even if its bid is up to 10% higher than an equally qualified large firm. A contracting officer must deem the price offered by a qualified HUBZone firm to be lower than the price offered by another offeror – other than another small business – if the price offered by the qualified HUBZone firm is not more than 10% higher than the otherwise lowest, responsive and responsible offeror.

In other words, the price offered by a qualified HUBZone firm can be as much as 10% higher than the price offered by a qualified large business or non-small business and still win the competition. In circumstances involving a “best value” procurement, the price evaluation preference may still apply.

That is, in a situation where a qualified HUBZone firm is competing with qualified large firms, the 10% price adjustment -- to benefit of the HUBZone firm -- would be made and the contracting officer would then determine which offeror represents the best value to the government, in accordance with the terms of the solicitation.

Attached please find the U.S. Small Business Administration Office of Government Contracting and Business Development’s Guide for Contracting Officers Price Evaluation Preference HUBZone Program.

<https://www.sba.gov/sites/default/files/files/workbook%20HUBZone%20PEP-1.pdf>

