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SMALL BUSINESS ADMINISTRATION

13 CFR Part 125

RIN: 3245-AG58

Small Business Government Contracting and National Defense Authorization Act of 2013 Amendments

AGENCY: U.S. Small Business Administration

ACTION: Correcting amendments.

SUMMARY: The U.S. Small Business Administration (SBA) is correcting a final rule that appeared in the Federal Register on May 31, 2016 (81 FR 34243). The rule described the limitations on subcontracting that apply to set aside contracts. The rule provides that the limitations on subcontracting apply to small business set asides above \$150,000 and to 8(a), HUBZone, Service-Disabled and Veteran-Owned (SDVO) or Women-Owned Small Business (WOSB) set asides. The \$150,000 threshold appears twice in 13 CFR 125.6(a), and thus could be misinterpreted as applying the threshold to 8(a), HUBZone, SDVO or WOSB set-asides. This action deletes the second \$150,000 threshold that appears in 13 CFR 125.6(a).

DATES: Effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Michael McLaughlin, Office of Policy, Planning & Liaison, U.S. Small Business Administration, 409 Third Street, SW, Washington, DC 20416; 202-205-5353; michael.mclaughlin@sba.gov.

SUPPLEMENTARY INFORMATION: The U.S. Small Business Administration (SBA) is correcting a final rule that appeared in the Federal Register on May 31, 2016 (81 FR 34243). The rule described the limitations on subcontracting that apply to set aside contracts. The rule provides that the limitations on subcontracting apply to small business set asides above \$150,000 and to 8(a), HUBZone, Service-Disabled and Veteran-Owned (SDVO) or Women-Owned Small Business (WOSB) set asides. The \$150,000 threshold appears twice in 13 CFR 125.6(a), and thus could be misinterpreted as applying the threshold to 8(a), HUBZone, SDVO or WOSB set-asides. This action deletes the second \$150,000 threshold that appears in 13 CFR 125.6(a). This action is consistent with 13 CFR 12.5(f) which provides that the limitations on subcontracting do not apply to small business set aside contracts with a value greater than \$3,500 but not \$150,000, and 13 CFR 121.406(d) which provides that the performance requirements (limitations on subcontracting) do not apply to small business set-aside acquisitions with an estimated value between \$3,500 and \$150,000.

List of Subjects in 13 CFR Part 125

Government contracts, Government procurement, Reporting and recordkeeping requirements, Small businesses, Technical assistance, Veterans.

Accordingly, 13 CFR part 125 is corrected by making the following correcting amendments:

PART 125—GOVERNMENT CONTRACTING PROGRAMS

1. The authority citation for part 125 continues to read as follows:

AUTHORITY: 15 U.S.C. 632(p), (q); 634(b)(6); 637; 644; 657f; 657r.

2. Amend § 125.6 by revising paragraph (a) introductory text to read as follows:

§ 125.6 What are the prime contractor's limitations on subcontracting?

(a) *General.* In order to be awarded a full or partial small business set-aside contract with a value greater than \$ 150,000, an 8(a) contract, an SDVO SBC contract, a HUBZone contract, a WOSB or EDWOSB contract pursuant to part 127 of this chapter, a small business concern must agree that:

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Dated: September 15, 2016.

A. John Shoraka,
Associate Administrator

for Government Contracting and Business Development.

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