

7 Mar 2012 - There appears to be a misunderstanding of the origin and applicability of the Rule of Two. Using the Rule of Two is not optional for the Procuring Contracting Officer (PCO). The Small Business Act, 15 U.S.C. Sec. 644(a) requires that a fair proportion of Government contracts in each industry category be placed with small business concerns. Federal Acquisition Regulation (FAR) Part 19.5 was developed as the agreed upon implementation of the Small Business Act. In other words, it has been agreed that a "fair proportion" is achieved by setting aside for small business all acquisitions under \$150,000 and acquisitions over \$150,000 when there is a reasonable expectation that offers will be obtained from at least two responsible small business concerns offering the products or services of different small business concerns; and that award will be made at fair market prices.