



U.S. Small Business  
Administration



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# HUBZone Program

*Not intended for public distribution*

# Hosts

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# Welcome to “SBA Virtual Learning 2022”

1. Questions answered during the final 10 minutes.
2. Technical problems: Contact your IT admin who manages Teams settings for your organization.
3. Captioning available for this presentation.
4. We cover the “**SBA Quick Reference**” as time allows.
5. For more SBA training visit the SBA Learning Center website <https://www.sba.gov/tools/sba-learning-center/search/training>

# Association of Procurement Technical Assistance Centers (APTAC)

Procurement Technical Assistance Centers are a vital resource partner.

- APTAC posts past “First Wednesday” programing at this link:  
<http://www.aptac-us.org/for-contracting-officers-sba-webinar-library/>
- Contracting officer resources: “How PTACs partner with federal agencies”: <http://www.aptac-us.org/federal-partners/>
- Find your nearest Procurement Technical Assistance Center at <http://www.aptac-us.org>

# Small Business Administration YouTube Page

SBA YouTube page posts past “First Wednesday” programming at links below.

- October 6, 2021 – 8(a) Program Updates: <https://youtu.be/yNQ4u-Ha9Go>
- November 3, 2021 – Non-Manufacture Rule (NMR): <https://youtu.be/QnN2XvlaupQ>
- December 1, 2021 – Releasing Requirements from 8(a): <https://youtu.be/htkYbkajS4o>
- January 5, 2022 – Category Management Part 1: <https://youtu.be/JJ-OyTIT3HM>
- February 2, 2022 – Category Management Part 2: <https://youtu.be/tRw0yVR5fBA>
- March 2, 2022 – Market Research: <https://youtu.be/aDmwe1vBzIA>
- April 6, 2022 – SBA Mentor Protégé Program: <https://youtu.be/wh5BXPxM-P4>
- May 4, 2022 – eSRS System: <https://youtu.be/B2pfN55MU1k>
- Jun 1, 2022 – Legislative and Regulatory Update: [https://youtu.be/koQS5\\_X1MCo](https://youtu.be/koQS5_X1MCo)
- July 6, 2022 – Women Owned Small Business Program: [https://youtu.be/eAfkPeMOR\\_0](https://youtu.be/eAfkPeMOR_0)
- August 3, 2022 – HUBZone Program:

**FIRST WEDNESDAY VIRTUAL LEARNING SERIES**  
**FY 2022 SCHEDULE**  
 1:00 to 2:00 PM Central Time

FY 2022	Date	Topic
1	October 6, 2021	8(a) Business Development Program Updates
2	November 3, 2021	Non-Manufacturing Rule (NMR)
3	December 1, 2021	Releasing Requirements from 8(a) Business Development Program
4	January 5, 2022	Part 1: Category Management: Policy Considerations and Flexibilities and Small Business Utilization
5	February 2, 2022	Part 2: Category Management: Increasing Small Business Participation Through Subcontracting and Legal Obligations
6	March 2, 2022	Market Research
7	April 6, 2022	SBA Mentor Protégé Program
8	May 4, 2022	Electronic Subcontract Reporting System (eSRS)
9	June 1, 2022	Legislative and Regulatory Update
10	July 6, 2022	Women-Owned Small Business Program
 11	August 3, 2022	HUBZone Program

The program schedule is for information only and is subject to change.

### One Continuous Learning Point

- Self-service process for one CLP of credit: Complete the survey contained in the link below. A new link will be provided every month. The link is activated on the day of the training. The link will be deactivated two weeks after the training event. <https://forms.office.com/g/0mpDGr5WCbfor>
- Those that do not complete the survey within two weeks, can later send an email to [sbalearning@sba.gov](mailto:sbalearning@sba.gov) and request a training certificate.
- If you listen in groups and you want all attendees to be included on the future mailing list, send email addresses of participants in an excel document to [sbalearning@sba.gov](mailto:sbalearning@sba.gov).



# Today's Speaker(s)

**Laura Maas**  
**HUBZone Program Manager, Continuing Eligibility**  
**Office of Government Contracting and Business Development**  
**U.S. Small Business Administration**

**Alison Amann**  
**Attorney-Advisor**  
**Office of Procurement Law**  
**U.S. Small Business Administration**

# HUBZone Program Purpose

Launched in 1999, the HUBZone Program fuels the development of distressed communities by providing small businesses preferential access to federal government contracts.

- **Federal Government** has goal to award 3% of procurement to HUBZone-certified small businesses via set-aside and price preference awards
- **Small businesses** become certified by locating in and employing residents (35%) from qualified HUBZones
- **HUBZone communities** benefit from jobs and investment.

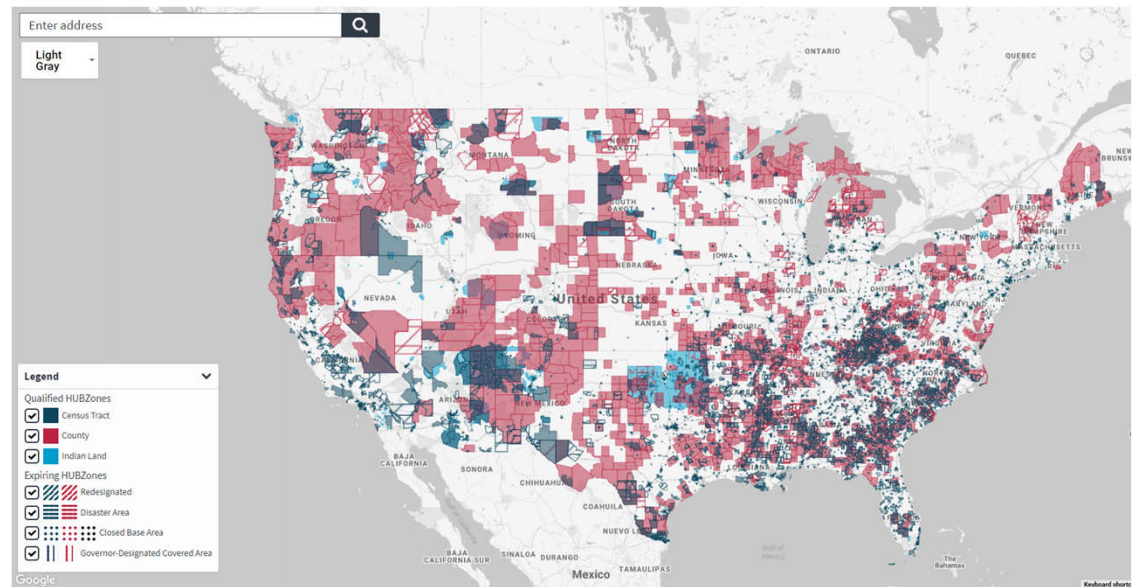


# HUBZone Designations

More than 27,000 communities across the country are designated HUBZones.

There are seven different designations:

1. Census Tract
2. County
3. Indian Land
4. Disaster Area
5. BRAC
6. Redesignated (transition)
7. **New in 2020** Governor's Designated Areas



# Contracting Incentive

The HUBZone Program plays an important role in driving 3% of all federal procurement opportunities to small businesses in undercapitalized communities.





# Eligibility Requirements

# HUBZone Eligibility Requirements

## Firms must:

- Be small, by reference to small business size standards;
- Be at least **51% owned by U.S. citizens, an Indian Tribal Government, an Alaska Native Corporation (ANC), a Native Hawaiian Organization (NHO), a Community Development Corporation, or an agricultural cooperative;**
- Have its **principal office**—the single location at which the greatest number of its employees perform most of their work—located in a HUBZone; and
- Have **at least 35%** of its employees HUBZone residents.



# HUBZone Certification Application Updates

## New materials and support for applicants

- Streamlined [Document Submission Checklist](#)
- New fact sheet: [Top Tips for HUBZone Certification](#)
- Instructional video: [How to Make Your HUBZone Application a Success](#)
- Updated FAQs: <https://www.sba.gov/brand/assets/sba/resource-partners/hubzone-program-improvements-faq-508.pdf>
- Full-time Customer Service team that provides rapid email responses and hosts an open call twice a week to help answer questions.





# Continuing Eligibility Requirements

# Annual Recertification

- All certified HUBZone firms must recertify annually that they remain in compliance with the program's requirements as of the anniversary date of their certification.
- Failure to recertify within the required time frame results in proposed for decertification.
- New Recertification Fact Sheet - <https://www.sba.gov/brand/assets/sba/resource-partners/hz-recertification-factsheet-508.pdf>

**Continuing Eligibility for the HUBZone Program: How Does Annual Recertification Work?**

**How Does It Work?**

As before, to complete the annual recertification process an authorized officer of the firm must complete and submit the firm's recertification in the General Login System (GLS) within 30 days of the anniversary date of the firm's HUBZone certification.\* If a firm fails to recertify within the required time frame, SBA will propose the firm for decertification.

\*If the date of a firm's HUBZone certification was May 15, their anniversary date for subsequent years would be May 15, and they would have to submit their recertification every year between April 15 and June 15.

The new HUBZone regulations require all certified HUBZone firms to recertify annually that they remain in compliance with the program's requirements as of the anniversary date of their certification.


**Benefits of these changes include:**

- Once HUBZone-certified, a firm is eligible for all HUBZone contracts for which it qualifies for a period of one year.
- Firms are no longer required to report to SBA throughout the year if they have a change in their eligibility status (with the exception of involvement in a merger or acquisition or if HUBZone residency falls below 20 percent while performing a HUBZone contract). They only have to demonstrate compliance as of their annual certification anniversary.
- Contracting officers no longer have to verify a firm's HUBZone eligibility at the time of award, making it easier for HUBZone small businesses. The firm will be generally considered a HUBZone small business throughout the life of that contract if it was certified at the time of an initial contract offer.

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# Program Examinations

- Program examinations conducted at least every 3 years to ensure continued program eligibility.
- New Program Exam fact sheet: <https://www.sba.gov/brand/assets/sba/resource-partners/HUBZone-ProgramExaminations-508.pdf>
- New continuing eligibility video: [How to maintain eligibility for the HUBZone federal contracting program - YouTube](#)



**Continuing Eligibility for the HUBZone Program: How Do Program Examinations Work?**

**What to expect**

New HUBZone regulations require all certified HUBZone firms to undergo a program examination at least every three years to ensure continued program eligibility. Through the program examination process, SBA officials verify the accuracy of any certification made or information provided by firms as part of their HUBZone application or recertification.

- SBA will conduct a program examination as part of the recertification process three years after a firm's HUBZone certification or at least every three years after the firm's last program examination, whichever date is later.
- SBA will determine the location and scope of the examination and may review any information related to the firm's HUBZone eligibility including, but not limited to, documentation related to ownership of the firm, as well as compliance with the 35 percent HUBZone residency and principal office requirements.

*These measures increase value of HUBZone certification by ensuring only eligible firms benefit from the program.*

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# HUBZone Map Updates

# HUBZone Footprint



**STABILIZE THE  
MAPS**

HUBZone maps are **frozen through June 30, 2023**

Maps will be updated every **five years**

## **Redesignated Areas:**

- 3-year transition period for expiring Qualified Census Tracts and Qualified Non-Metropolitan Counties
- No extension beyond 2023 for current Redesignated Areas

# HUBZone Footprint



**EXPAND INTO  
RURAL AREAS**

## **Governor-Designated Areas Requirements**

- Non-urbanized areas of 50,000 or less
- Unemployment of 120% the state or US average
- Governors may submit one petition a year

## **Qualified Non-Metropolitan Counties**

- Change in definition of the term Qualified Non-Metropolitan Counties
- SBA conducted the analysis to include nearly 450 new counties

## Top States with new Qualified Non-Metropolitan HUBZones

1. Texas	59	9. Kansas	18
2. Georgia	44	10. Nebraska	18
3. Missouri	26	11. Tennessee	17
4. Virginia	24	12. Kentucky	15
5. Illinois	23	13. New York	15
6. Minnesota	21	14. Arkansas	14
7. North Carolina	18	15. Florida	14
8. Colorado	18		



# Resources for Contracting Officers



## HUBZone Contracts (13 CFR 126.600)

- **Sole source.** A HUBZone contract can be awarded as sole source if the contracting officer does not have a reasonable expectation that two or more qualifying HUBZone small businesses will submit offers, determines that the qualified HUBZone small business is responsible, and determines that the contract can be awarded at a fair price.
- **Set aside.** A competitive HUBZone set aside can be awarded if the contracting officer has a reasonable expectation that at least two responsible HUBZone businesses will submit offers and that the resulting contract can be awarded at a fair market price.
- **Price Evaluation Preference (PEP).** A full and open competition contract can be awarded with a price evaluation preference for HUBZone small businesses. The offer of a HUBZone small business must be considered lower than the offer of a large business, provided that the offer of the HUBZone small business is not more than 10 percent higher.

## Verifying Eligibility (13 CFR 126.601)

SBA made comprehensive changes to the HUBZone program in 2020 to make it easier for contracting officers and firms to use the program.

- **Fewer steps before contract award.** If a firm is certified at the time of an initial contract offer, it will be considered a HUBZone small business through the life of that contract. That means contracting officers no longer need to verify a firm's eligibility again at time of award.
- **Easier eligibility verification.** A firm must appear in the Dynamic Small Business Search (DSBS) as a HUBZone-certified business at the time of contract offer, which means contracting officers only need to check this one place to verify a firm is certified.

## How to find a HUBZone Firm

1. Search DSBS to find and verify HUBZone-certified businesses.
2. Get personal assistance from the SBA's government contracting area offices or from Procurement Technical Assistance Centers.
3. Contact your agency's Office of Small and Disadvantaged Business Utilization (OSDBU) or your Agency Small Business Specialist.
4. Issue a sources sought announcement in the System for Awards Management (SAM) seeking interested HUBZone small businesses.
5. Look for a HUBZone-certified firm in the GSA Schedule program.

# Fact Sheet

## Tips for Contracting Officers: The HUBZone Program



### WHAT IS NEW AND IMPROVED?

SBA made comprehensive changes to the HUBZone program in 2020 to make it easier for contracting officers and firms to use the program. How is it easier for contracting officers?

- **Fewer steps before contract award.** If a firm is certified at the time of an initial contract offer, it will be considered a HUBZone small business through the life of that contract. That means contracting officers no longer need to verify a firm's eligibility again at time of award.
- **Easier eligibility verification.** A firm must appear in the [Dynamic Small Business Search \(DSBS\)](#) as a HUBZone-certified business at the time of contract offer, which means contracting officers only need to check this one place to verify a firm is certified.



### HUBZONE PROGRAM SET-ASIDE TOOLS

Contracting officers have three easy tools available for HUBZone set asides:

**Sole source.** A HUBZone contract can be awarded as sole source if the contracting officer does not have a reasonable expectation that two or more qualifying HUBZone small businesses will submit offers, determines that the qualified HUBZone small business is responsible, and determines that the contract can be awarded at a fair price.

**Set aside.** A competitive HUBZone set aside can be awarded if the contracting officer has a reasonable expectation that at least two responsible HUBZone businesses will submit offers and that the resulting contract can be awarded at a fair market price.

**Price Evaluation Preference (PEP).** A full and open competition contract can be awarded with a price evaluation preference for HUBZone small businesses. The offer of a HUBZone small business must be considered lower than the offer of a large business, provided that the offer of the HUBZone small business is not more than 10 percent higher.



### FINDING A HUBZONE FIRM

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2. Get personal assistance from the SBA's government [contracting area offices](#) or from [Procurement Technical Assistance Centers](#).
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### HELPFUL RESOURCES

Your agency's OSDBU can help you understand how to maximize use of the HUBZone program.

Matchmaking sessions can lead to new contracts with HUBZone businesses as well as long-term relationships with HUBZone firms over the years. Visit [GSA's website](#) to find upcoming events that you can participate in.

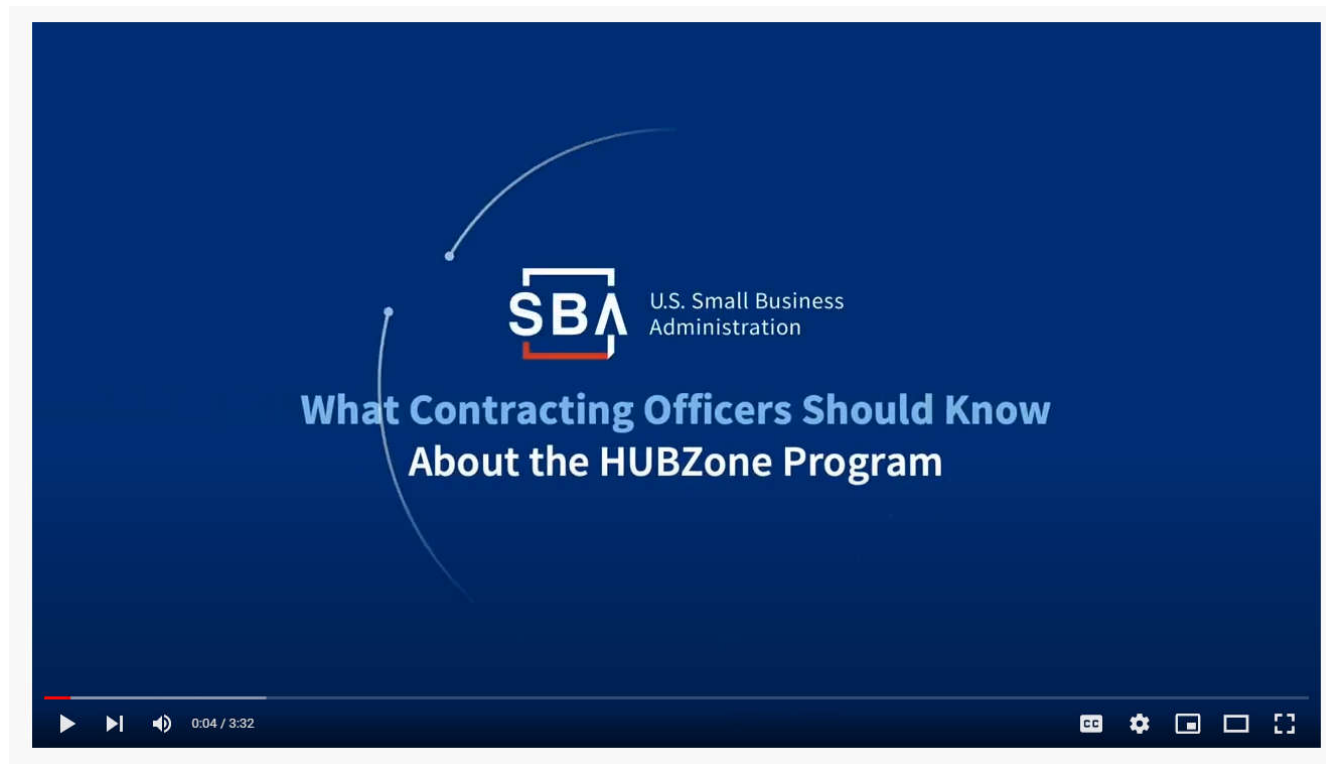
To learn about your agency's progress toward its HUBZone goal, access your scorecard at [SBA's website](#).

SBA has helpful tools on its [website](#), including a video and tutorials for using the set-aside tools.

[Fact Sheet and resources for Contracting Officers: HUBZone administration \(sba.gov\)](#)



# YouTube Video



[What contracting officers should know about the HUBZone program - YouTube](#)



# FY21 Federal Scorecard Performance

## HUBZone 3% Goal Achievement

- **2.53%** goal achievement represents the 5th straight year of increases;
- **\$14.3** billion represents record federal spending in HUBZone communities;
- **14 Agencies** (58%) have now exceeded the 3% HUBZone goal.
- **14 Agencies** witnessed an increase in HUBZone goal attainment and contracted with a greater number of HUBZone firms than the year before

Link to FY21 Scorecard: [Individual Scorecard \(sba.gov\)](#)

## Next Steps

- Expand outreach to acquisition community to encourage greater use of HUBZone contracts
- Meet with individual Agencies that did not meet goal to strategize ways to increase their goal attainment
- Identify opportunities to strengthen matchmaking and market analysis efforts by coordinating with PCRs, Agencies and industry to develop best practices and processes



# HUBZone Resources

- **Email** our Help Desk with specific questions: [hubzone@sba.gov](mailto:hubzone@sba.gov)
- **Call** our staff via our weekly conference call—every Tuesday and Thursday at 2pm ET: **#208-391-5817; Conference ID: 278 449 067**
- **Visit website** for factsheets, checklists, and details about eligibility and applying: [sba.gov/hubzone](https://sba.gov/hubzone)
- **Maps:** [maps.certify.sba.gov/hubzone/maps](https://maps.certify.sba.gov/hubzone/maps)

## Contact Information

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