

The HUBZone Empowerment Contracting Program

Community Based:

- Empowerment
- Employment
- Enterprise



Purpose of the HUBZone Program

- Provide federal contracting assistance for qualified small business concerns (SBCs) located in historically underutilized business zones to:
- Increase employment opportunities
 - Stimulate capital investment in those areas
 - Empower communities through economic leveraging and the “multiplier effect”



Qualified Areas

- Qualified Census Tracts (HUD) - 7,000
- Qualified Nonmetropolitan Counties - 900
 - Median household income is less than 80% of the nonmetropolitan state median household income (Census)
 - Unemployment rate that is not less than 140% of the state-wide average unemployment rate (BLS)
- Indian reservations (external boundary)



Goaling

- Based upon a percentage of the total value of federal prime contract awards
- 1999 - 1%
- 2000 - 1.5%
- 2001 - 2%
- 2002 - 2.5%
- 2003 - 3% and each year thereafter



Federal Departments and Agencies Affected

- As of October 1, 2000, all federal departments and agencies are expected to meet HUBZone contract goals.
- Assuming historic patterns, this means that by FY03 the HUBZone program could account for about \$6 billion.



Requirements To Be A Qualified HUBZone SBC

- FOUR REQUIREMENTS:
 - Must be a small business
 - Concern must be owned and controlled *only* by US citizens
 - The *principal office* of the concern must be located in a HUBZone; and
 - At least 35% of the concern's employees must reside in a HUBZone



The Certification Process

- Fully electronic and totally revamped application at www.sba.gov/hubzone
- Integrated with SBA's *PRO-Net* database
- Processing time - 30 days
- SBA will not process incomplete packages
- SBA may request additional information or clarification any time after submission
- SBA's decision will be in writing



Program Examinations For Continued Eligibility

- Eligibility verification
- Scope of review
 - Verification: eligibility requirements at time of application and examination
 - location, ownership & employment percentage requirements
- Time frame - when notified of a possible material change in status or random, at the discretion of SBA



Contractual Assistance Procurement Methods

- Set-aside awards
- Sole source awards
- Awards through full and open competition after application of a price preference as provided to HUBZone SBCs



Requirements Not Available for HUBZone set-aside

- Federal Prison Industries (FPI)
- Javits-Wagner-O'Day Act (JWOD)
- Current SBA 8(a) Business Development Program requirements
- Micro Purchase requirements - <\$2,500

