

June 24, 2002

MEMORANDUM FOR AGENCY SENIOR PROCUREMENT EXECUTIVES

FROM: Angela B. Styles (signed)
Administrator

SUBJECT: Guidance on Reporting HUBZone Contracts to the
Federal Procurement
Data System

On October 26, 2001, the General Accounting Office (GAO) released the report GAO-02-57, "HUBZone Program Suffers From Reporting and Implementation Difficulties" that included recommendations to improve the accuracy of reporting agencies' achievements under the HUBZone Program. GAO also recommended that the Small Business Administration (SBA) develop guidance for all Federal agencies to assist them in identifying contracts to be reported to the Federal Procurement Data System (FPDS) that meet the HUBZone Program criteria.

The report indicated that agencies were unsure of what qualifies as a HUBZone contract because SBA did not provide guidance about which contracts to count towards HUBZone Program achievements. For example, some agencies are counting dollars awarded under multiple-year contracts (with options) towards HUBZone goal achievements even though the contract award occurred before the small business became certified as a HUBZone contractor. The report indicated that SBA officials believed that a contract awarded to a firm that is not certified to participate in the HUBZone Program should not count as a HUBZone achievement, regardless of whether the firm became certified during the term of the contract. SBA continues to support that position.

The enclosed guidance is provided to help agencies identify which contract actions to report to the FPDS that meet the HUBZone criteria. This guidance will be included in the FPDS Reporting Manual, as appropriate. We ask that you disseminate it to your contracting activities for immediate implementation.

We will also consult with SBA to strengthen the FPDS reporting guidance pertaining to all small business procurement programs as required by the GAO report. Should you have questions about the above guidance, you may contact Barbara Diering of OFPP on

202-395-3256, or Michael McHale, SBA's Associate Administrator for the HUBZone Program, on 202-205-8885.

Enclosure

cc: Directors, Office of Small and Disadvantaged Business Utilization

FPDS Agency Contacts

Guidance on Reporting HUBZone Contract Action

to the Federal Procurement Data System (FPDS)

- Only contract actions awarded to HUBZone small business concerns that have been certified by SBA should be counted toward HUBZone goal achievement. Therefore it is important that contracting officers and prime contractors refer to SBA's Procurement Marketing and Access Network (PRO-Net) to verify that the contractor or subcontractor is on the list of certified HUBZone firms.
- If a small business concern becomes certified as a HUBZone small business concern during the performance of the contract, including the options, those dollars shall not be counted toward the HUBZone goal achievements. The HUBZone small business concern must be SBA certified when the proposal (including price) is submitted in order for the agency to receive credit for the award.
- Contract actions awarded under SBA's 8(a) Business Development Program to firms that are both certified as an 8(a) firm and a HUBZone small business concern should be counted towards HUBZone goal achievements and 8(a) goal achievements.
- Contract actions awarded to certified HUBZone small business concerns using the HUBZone Program's preference mechanisms (sole source, set-asides, or the price evaluation preference) should be counted towards HUBZone goal achievements.
- Contract actions awarded to certified HUBZone small business concerns after the application of both the HUBZone Price Evaluation Preference and the Small Disadvantaged Business Price Evaluation Adjustment should be counted towards HUBZone goal achievements.
- Contract actions that are awarded to certified HUBZone small business concerns under other contract mechanisms such as simplified acquisitions or small business set-asides should be counted towards the HUBZone goal achievements.

- Contract actions that are orders placed against Federal Supply Schedules to certified HUBZone small business concerns should be counted towards the ordering agency's HUBZone goal achievements.
- Contract actions awarded to certified HUBZone small business concerns under indefinite delivery contracts (e.g. multiple award contracts, government-wide acquisition contracts (GWACs), definite quantity contracts) should be counted towards HUBZone goal achievements if the HUBZone small business concern was certified when it submitted its proposal, including price, for the contract award.
- Contract actions awarded to a certified HUBZone small business under a HUBZone joint venture should be counted towards HUBZone goal achievements if the joint venture meets the requirement at Title 13, Code of Federal Regulations, Part 126.616.
- Subcontract award data reported by other-than-small business prime contractors and subcontractors shall be limited to awards made to their immediate certified HUBZone small business subcontractors in order to be counted towards HUBZone subcontract goal achievements. Credit cannot be taken for awards made to lower-tier subcontractors.