



The U.S. Small Business Administration

Federal Contracting Opportunities for HUBZone Entrepreneurs

Background

The HUBZone program was enacted into law as part of the Small Business Reauthorization Act of 1997. The SBA regulates and implements the program, determines which businesses are eligible to receive HUBZone contracts, maintains a listing of qualified HUBZone small businesses federal agencies can use to locate vendors, and adjudicates protests of eligibility to receive HUBZone contracts.

The program applies to all federal departments and agencies. The government has established a goal of 3 percent of prime contract dollars being awarded to HUBZone businesses.

For additional information:

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HUBZone Program

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SBA programs and services are provided on a nondiscriminatory basis.

Small businesses in high unemployment, low-income areas can receive an economic boost from the U.S. Small Business Administration's HUBZone contracting program. The HUBZone program provides contracting assistance to small businesses located in economically distressed communities, referred to as historically underutilized business zones or HUBZones, to promote job growth, capital investment and economic development in these areas, including Indian reservations.

Requirements

To qualify for the program, a business (except tribally-owned concerns) must meet the following criteria:

- It must be a small business by SBA standards;
- It must be owned and controlled at least 51 percent by U.S. citizens, or a Community Development Corporation, or an agricultural cooperative or an Indian tribe;
- Its principal office must be located within a "Historically Underutilized Business Zone," which includes lands considered 'Indian Country' and military facilities closed by the Base Realignment and Closure Act; and
- At least 35 percent of its employees must reside in a HUBZone.

Computer mapping software available on SBA's Web site allows firms to search a database to determine whether they are located in a qualified HUBZone. Access the site at www.sba.gov/hubzone. Select the option "Are You in a HUBZone?"

Existing businesses that choose to move to qualified areas are eligible. To fulfill the requirement that 35 percent of a HUBZone firm's employees reside in the HUBZone, employees must live in a primary residence within that area for at least 180 days or be a currently registered voter in that area.

Applying to the Program

To apply, companies use the electronic application on the HUBZone Web site at www.sba.gov/hubzone.

Primary Benefits

The program's benefits for HUBZone-certified companies include competitive and sole source contracting, a 10 percent price evaluation preference in full and open contract competitions, as well as subcontract opportunities. The federal government has a goal of awarding 3 percent of all dollars for federal prime contracts to HUBZone-certified concerns.

There are three types of HUBZone contracts:

- Competitive HUBZone contracts can be awarded if the contracting officer has a reasonable expectation that at least two qualified HUBZone small businesses will submit offers and that the contract will be awarded at a fair market price.
- Sole-source HUBZone contracts can be awarded if the contracting officer determines that:
 - one qualified HUBZone small business is responsible to perform the contract,
 - two or more qualified HUBZone small businesses are not likely to submit offers, and
 - the anticipated award price of the proposed contract, including options, will not exceed:
 - \$5,500,000 for a requirement within the North American Industry Classification System (NAICS) code for manufacturing, or
 - \$3,500,000 for a requirement within all other NAICS codes.
- Full and open competitive contracts can be awarded with a price evaluation preference. The offer of the HUBZone small business must not be 10 percent higher than the offer of a non-small business.

Identifying HUBZone Firms

To search for HUBZone firms, as potential partners in a joint venture or teaming arrangement, go to the *Central Contractor Registration (CCR)* Web site at www.ccl.gov and use the *Dynamic Small Business Search* feature.

Want to Know More About Government Contracting?

Opening Doors to Federal Government Contracting—Small Business Opportunities

This publication guides you step-by-step through the procurement process including information on registering your business on the *CCR* system; SBA's counseling services; how to identify contracting opportunities; and how to market your business. View and download this publication at www.sba.gov/openingdoors.

Free, Online Federal Contracting Course

SBA's Small Business Training Network is a virtual campus complete with courses and programs to help the small business owner. Entrepreneurs interested in government contracting should take the free course, *Business Opportunities: A Guide to Winning Federal Contracts*, providing in-depth information on how to participate in federal contracting programs. View this and other small business courses at www.sba.gov/training.