



U.S. Small Business  
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# Eligibility Requirements

# HUBZone Small Business Certification Eligibility

## Firm must:

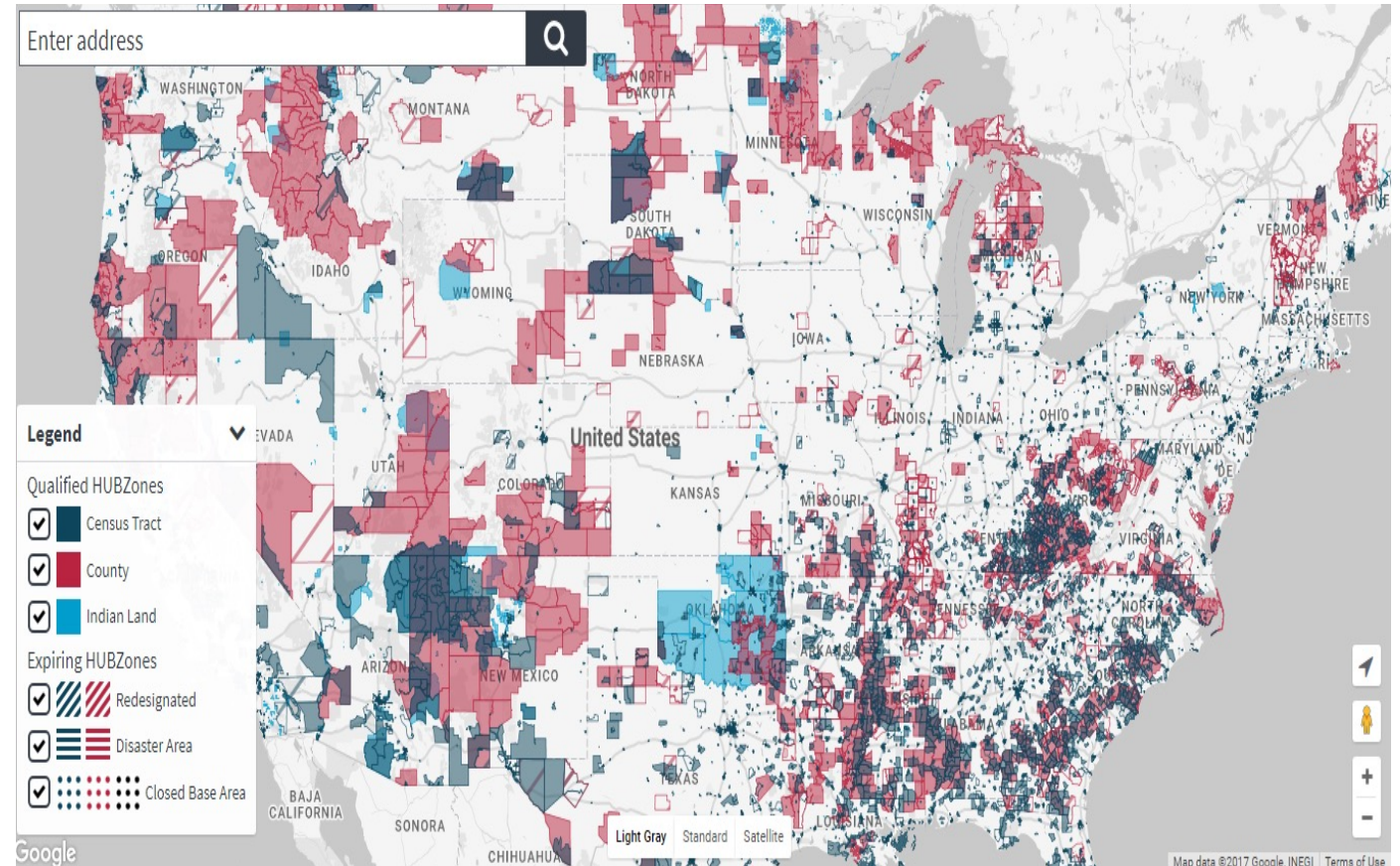
- Be small, by reference to small business size standards;
- Be at least **51% owned by U.S. citizens, an Indian Tribal Government, an Alaska Native Corporation (ANC), a Native Hawaiian Organization (NHO), a Community Development Corporation, or an agricultural cooperative;**
- Have its ***principal 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 Designations

More than 22,000 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 Area



**70% of Opportunity Zones are located in HUBZones**

# Ways You Can Get Help With Your Application Questions

Reach Out in Advance for Eligibility Questions and Application Help

	<b>EMAIL</b> HUBZone Help Desk at <a href="mailto:hubzone@sba.gov">hubzone@sba.gov</a>   GLS Help Desk at <a href="mailto:GLS@sba.gov">GLS@sba.gov</a>	
	Tuesday/Thursday   2 p.m. ET   1-208-391-5817   ID: 278449067#	
	<a href="https://www.sba.gov/federal-contracting/contracting-assistance-programs/hubzone-program">https://www.sba.gov/federal-contracting/contracting-assistance-programs/hubzone-program</a>	
	<a href="https://www.sba.gov/brand/assets/sba/resource-partners/hz-program-improvements-faq.pdf">https://www.sba.gov/brand/assets/sba/resource-partners/hz-program-improvements-faq.pdf</a>	
	<a href="https://www.sba.gov/events/find?dateRange=all&amp;distance=200&amp;pageNumber=1">https://www.sba.gov/events/find?dateRange=all&amp;distance=200&amp;pageNumber=1</a>	
	<b>SBA RESOURCES</b> Get local assistance.	

# HUBZone Resources

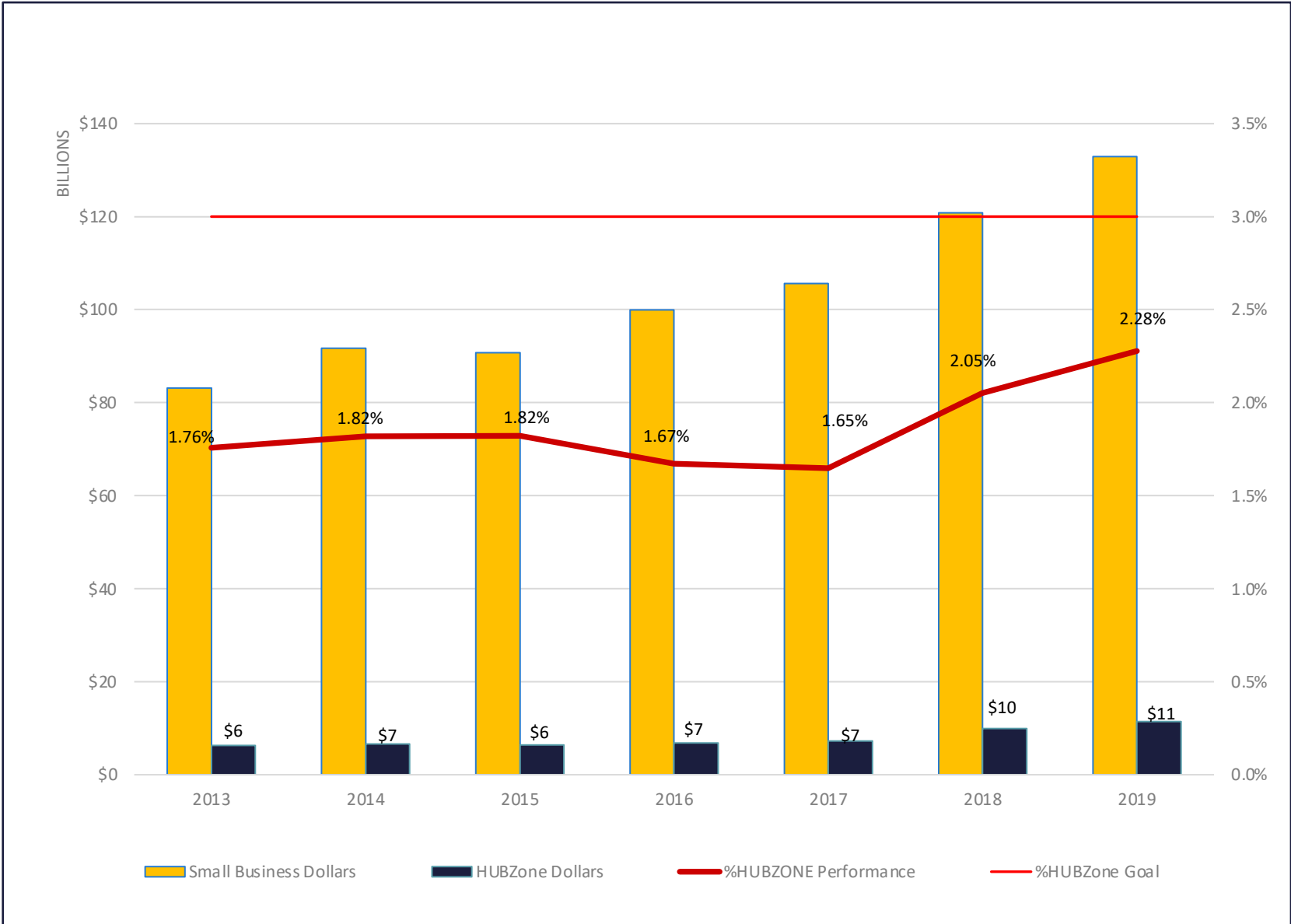
- **Email** our Help Desk with specific questions: [hubzone@sba.gov](mailto:hubzone@sba.gov)
- **Call** our customer support Help Desk: 202-386-7382
- **Participate** in our conference call—every Tuesday and Thursday at 2pm ET:  
**#208-391-5817; Conference ID: 278 449 067**
- **Visit website** for factsheets, 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)



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# Agency Scorecard Results

# Federal Scorecard Performance





# Agency 3% HUBZone Goal Achievement

3% Goal: <u>Met</u>	3% Goal: <u>Not Yet</u>
Nuclear Regulatory	Defense
Commerce	Energy
USDA	HHS
SBA	NASA
Interior	Veterans
State	Justice
Labor	Transportation
Homeland Security	EPA
GSA	Social Security
HUD	NSF
	AID

# Why do some Agencies not set aside HUBZone?

Using 8a  
Sole  
Source is  
easier

I thought HZ  
firms only do  
construction  
and  
manufacturing  
work

HUBZone is  
not a  
priority for  
my Agency

Can't find HZ  
firms that sell  
what we buy

Not enough  
capable HZ firms  
to meet our special  
requirements

Seems too  
complicated to  
verify eligibility

Too many  
protests when  
we use HZ



# Impact and Results

# HUBZone Geographic Composition by SBA District Office

1. DC (626)
2. OK (338)
3. Richmond (336)
4. Georgia (254)
5. Baltimore (244)
6. Hawaii (227)
7. North Carolina (205)
8. South Florida (198)
9. PR/USVI (178)
10. Alaska (165)
11. Sacramento (163)

# HUBZone Economic Impact

**In FY19:**

- ✓ **\$11 billion in federal procurement to HUBZone certified firms**
- ✓ **\$20.5 billion in aggregate economic activity**
- ✓ **59,000 direct jobs supported**
- ✓ **79,000 indirect jobs supported**
- ✓ **\$7.1 billion in employee earnings**

# HUBZone Snapshot



**+/- 6,000** certified HUBZone enterprises



**40%** of HUBZone firms are dual certified



**70%** of HUBZone contract awardees are in Construction or Professional and Technical Services



**179+** HUBZone Mentor Protégé Agreements via ASMPP

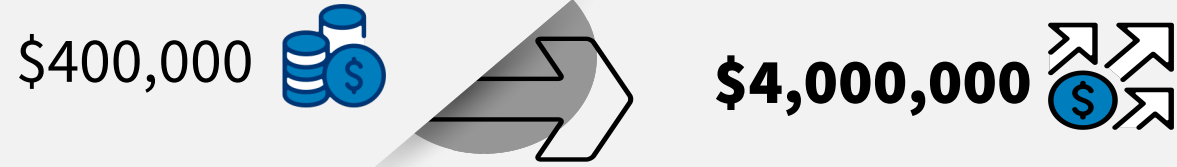


**Typical firm before:** \$400K AGI, 5 employees, 8 years old  
**5 years later:** \$1 million, 8 employees

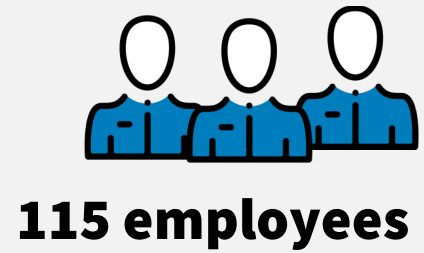
# HUBZone Results



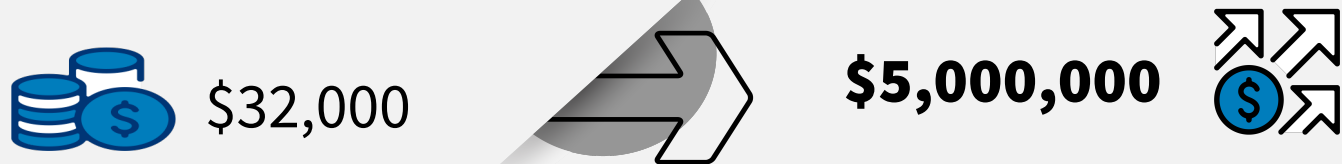
**SAM Engineering and Surveying (SAMÉS) Inc.**



**Pontchartrain Partners**



**Pearl River Joint Venture**



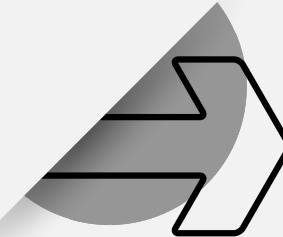
# HUBZone Results



When brothers Samuel and Saul Maldonado in Lower Rio Grande Valley, Texas, first founded **SAM Engineering & Surveying (SAMES) Inc.** in 2008, they employed three people in their community and generated \$400,000 in annual sales.

*By participating in SBA's HUBZone program, they have grown their business to 55 employees and more than \$4 million in sales.*

  
\$400,000



  
**\$4,000,000**



# HUBZone Results



Sridhara Gutti started **Essnova Solutions** as a home-based business in Huntsville, Alabama. After receiving counseling from SBA and a Procurement Technical Assistance Center (PTAC), he moved his IT software, staffing, and project management business to Birmingham and applied for SBA's HUBZone certification.

*After winning a federal contract from Department of Defense in 2017, Sridhara has grown the business to 25 employees with more than \$3 million in revenue and was named the Alabama Small Business Person of the Year for SBA in 2020.*



# HUBZone Results

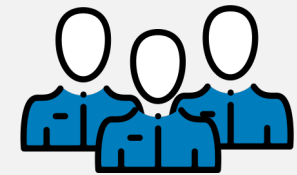
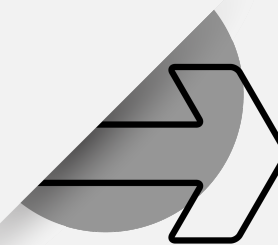


**Pontchartrain Partners** helped rebuild the New Orleans flood protection system in the aftermath of Hurricane Katrina. In 2015, the company expanded to a 25,000-square-foot building in a HUBZone.

*Company revenue has grown from \$160,000 in its first year to \$35 million in 2019 and from only seven full-time, local employees to 115 across the South.*



7 employees



**115 employees**



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# Continuing Eligibility Requirements

# 2020 Changes and Benefits

2020 Change	Benefits
Firms are required to recertify annually and undergo a program examination at least every 3 years.	Once HUBZone-certified, a firm is eligible for all HUBZone contracts for which it qualifies for a period of 1 year.
	Firms are no longer required to report to SBA throughout the year if they have a change in eligibility status; they only have to demonstrate compliance as of their annual certification anniversary.
	Exceptions include: <ul style="list-style-type: none"><li>• Involvement in a merger or acquisition; or</li><li>• If HUBZone residency falls below 20 percent while performing a HUBZone contract.</li></ul>

## 2020 Changes and Benefits, cont.

2020 Change	Benefits
Contracting officers are no longer required to verify a firm's eligibility at the time of award, only at the time of offer.	A firm certified at the time of an initial contract offer will generally be considered a HUBZone small business throughout the life of that contract.
	This removes the former requirement of having to verify a firm's HUBZone eligibility a second time (at the time of award).

# Annual Recertification

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.

If a firm fails to recertify within the required time frame, SBA will propose the firm for decertification.



# Completing Annual Recertification

**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) in 30 days of the anniversary date of the firm's HUBZone certification.
  - 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.
- Review, verify, and certify in GLS that the firm meets all HUBZone eligibility requirements **as of** the anniversary date of its certification.

# Program Examinations

The new HUBZone regulations require all certified HUBZone firms to undergo a program examination **at least every 3 years** to ensure continued program eligibility.



Through the program examination process, SBA officials verify the accuracy of firms' HUBZone certifications and/or information provided by firms as part of their HUBZone application or recertification.



# COVID 19 Flexibilities extended through 9/30/21

**Telework:** firms may place employees on mandatory telework in response to COVID 19 and maintain compliance with the principal office requirement as long as:

- Employees are being required to telework in response to social distancing restrictions related to the pandemic
- The teleworking measure is temporary in nature and employees will return to normal work location once measures have been lifted
- Firm will make best effort to provide meaningful work to employees who are teleworking

**Expedited certification:** SBA will consider expediting the processing of HUBZone applications received from applicants that submit a complete application package and indicate that they intend to respond to a specific solicitation relating to COVID 19 relieve efforts.



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# HUBZone Contracting Rules

# Relationship Among Small Business Programs (FAR 19.203)

- SBA's small business socioeconomic programs include:
  - 8(a) Program
  - HUBZone Program
  - Service-Disabled Veteran-Owned (SDVO) Small Business Program
  - Women-Owned Small Business (WOSB) Program
- There is **no order of precedence among these programs**
- In determining which socioeconomic program to use, the contracting officer should consider, at a minimum—
  - Results of market research
  - Agency progress in fulfilling small business goals

# HUBZone Contracts (13 CFR 126.600)

HUBZone contracts are contracts awarded to certified HUBZone small business concerns, regardless of the place of performance, through any of the following procurement methods:

- **Sole source awards**
- **100% HUBZone set-aside awards** and partial set-asides
- **Full and open competition**, where the **HUBZone price evaluation preference is applied** (application of a 10% price evaluation preference applied in full and open competition only applies if initial low offer is from a large business, not if low bidder is a small business)
- **Reserves** for HUBZone SBCs under Multiple Award Contracts (MAC)
- **Orders set-aside** for HUBZone SBCs against a MAC, where the MAC was awarded in full and open competition

# HUBZone and Simplified Acquisition (13 CFR 126.607, FAR 19.1305)

AT OR BELOW SAT	CO MAY award via HUBZone set-aside or sole source award
ABOVE SAT	CO <b>shall</b> first consider a set-aside before a HUBZone sole source award or setting aside the requirement as a small business set-aside

- SAT=\$150,000—proposed to increase to \$250,000;
- Micro-purchase threshold=\$3,500—proposed to increase to \$10,000

# HUBZone Sole Source Awards (13 CFR 126.612, FAR 19.1306)

- CO **may award a sole source contract to a HUBZone SBC** (before considering a small business set-aside) **if—**
  - CO does not expect to receive offers from at least 2 HUBZone SBCs
  - Anticipated price of the contract (including options) will not exceed—
    - \$7 M for a requirement assigned a manufacturing NAICS code; or
    - \$4 M for all other requirements
  - The requirement is not currently being performed by an 8(a) participant and has not been accepted as an 8(a) requirement by SBA
  - The HUBZone SBC has been determined to be a responsible contractor with respect to performance
  - Award can be made at a fair and reasonable price

**SBA has the right to appeal CO's decision not to make a HUBZone sole source award**

**Note:** *This exclusion of FAR 19.1306 was removed: The acquisition is greater than the SAT*

# HUBZone Set-Aside (FAR 19.1305(c))

- **To award via HUBZone set-aside, CO must have a reasonable expectation that—**
  - Offers will be received from at least 2 HUBZone SBCs; and
  - Award will be made at a fair market price

If the CO receives—

- **only one acceptable offer** from a certified HUBZone SBC
  - the CO should make an award to that concern
- **no acceptable offers** from HUBZone SBCs
  - the CO should withdraw the HUBZone set-aside and set the procurement aside for small business concerns, as appropriate (see FAR 19.203)

# Set-Aside of Orders

- A CO may—
  - **Set-aside an order placed against a multiple-award contract** for HUBZone SBCs (FAR 19.5) and no justification for this exception to fair opportunity is required (FAR 16.5)
  - **Set-aside part(s) of a multiple-award contract** for HUBZone SBCs (FAR 19.5)
  - **Reserve one or more contract awards** for HUBZone SBCs **under full and open multiple-award procurements** (FAR 19.5)
  - **Set-aside orders & BPAs under the GSA Schedule** (FAR 8.4)



# Set-Aside of Orders – FAR Part 19 Applies

FAR 16.505(b)(2)(i)(F): When setting aside orders for small business concerns:

- The specific small business program eligibility requirements identified in part 19 apply.

FAR 8.405-5(a)(2): When setting aside orders and BPAs against the GSA Schedule:

- The specific small business program eligibility requirements identified in part 19 apply.

What does this mean? Examples:

- HUBZone joint venture requirements apply
- HUBZone limitations on subcontracting apply

# Price Evaluation Preference (PEP) For HUBZone SBCs (13 CFR 126.613, FAR 19.1307)

- The HUBZone price evaluation preference (PEP) shall be used in acquisitions conducted using full and open competition
- The preference shall NOT be used—
  - Where price is not a selection factor (e.g., Architect/Engineer acquisitions)
  - Where all fair and reasonable offers are accepted (e.g., the award of multiple award schedule contracts)

# Applying the HUBZone PEP

- The CO shall apply the HUBZone PEP in F&O competition, **when the lowest, responsive, responsible offeror is a large business**
- **The PEP is applied by adding a factor of 10% to—**
  - The otherwise lowest, responsive, responsible offer from a large business (AKA the large business that is the apparent successful offeror)
  - Offers from HUBZone SBCs that have waived the PEP
  - Offers from small business concerns that are not the apparent successful offeror
- **NOTE: Apply PEP first, then do best value analysis**

# Price Evaluation Preference – Examples

OFFER		PEP APPLIED (*10%)	
HUBZone	\$113	HUBZone	\$113
Small	\$103	Small	\$113.3
<b>Large</b>	<b>\$100</b>	<b>Large</b>	<b>\$110</b>

- Before PEP applied, the large business is the lowest, responsive and responsible offeror.
- After applying the 10% PEP, the large business is still the lowest, responsive and responsible offeror.
- In this example, the application of the PEP does not benefit the HUBZone SBC.

NOTE: If price equal → Award to the HZ SBC

# Price Evaluation Preference – Examples

OFFER		PEP APPLIED (*10%)	
HUBZone	\$100	HUBZone	\$100
Small	\$97	Small	\$106.7
<b>Large</b>	<b>\$95</b>	<b>Large</b>	<b>\$104.5</b>

- Before PEP applied, the large business is the lowest, responsive and responsible offeror.
- After applying the 10% PEP, the large business is no longer the lowest, responsive and responsible offeror.
- In this example, the application of the PEP does benefit the HUBZone SBC.

# Price Evaluation Preference – Examples

OFFER		PEP APPLIED
HUBZone	\$100	<b>PEP NOT APPLIED</b>
<b>Small</b>	<b>\$95</b>	
Large	\$97	

- Before PEP applied, the small business is the lowest, responsive and responsible offeror.
- Since lowest offeror is not a large business, the HUBZone PEP is not applied.

# Requirements to Bid on HUBZone Contract (13 CFR 126.601)

At the time a certified HUBZone SBC submits its initial offer (including price) on a specific HUBZone contract, it must certify to the CO that:

- It is a **certified HUBZone SBC that appears on SBA’s List (DSBS)—[dsbs.sba.gov](https://dsbs.sba.gov)**;
- It is a **small business** under the NAICS code assigned to the procurement; and
- It **will “attempt to maintain”** having at least 35% of its employees residing in a HUBZone during the performance of a HUBZone contract. (13 CFR 126.200(e))
- It will comply with the applicable limitations on subcontracting during performance of the contract, as set forth in 13 CFR 125.6, 126.200(f) and 126.700.

**Note:** The requirement to notify SBA of a material change was removed with the Regulations published on 12/26/2019.



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# Using the Dynamic Small Business Search



# How to Locate HUBZone Contractors Using the Dynamic Small Business Search ([DSBS](#)) ([dsbs.sba.gov](#))

The screenshot shows the DSBS website header with the SBA logo, navigation links (Mobile View, Print, Exit, Help, DSBS, Quick Market Search, TM OnLine), and a 'Ready' status indicator. Below the header is a welcome message and a disclaimer. A 'Location of Profile' section contains a state selection dropdown, a search area with a 'Congressional District' field and a 'County' dropdown, and input fields for 'Area Code or Phone Number Initial Fragment', 'Metropolitan Statistical Area', 'SBA Servicing Office', and 'Zip Code or Zip Code Initial Fragment'. A 'Government Certifications' section is partially visible at the bottom.

Skip Navigation Accessibility Options  
Mobile View Print Exit Help  
DSBS Quick Market Search TM OnLine Ready

Welcome to the Dynamic Small Business Search

All search form hotlinks open a new browser window.  
All form fields that require typing in data have "tooltips" with data format information.

**NEW** NEW FEATURES FOR MOBILE USERS:  
Phone number hotlinks can be used to dial the number on mobile phones.  
Address hotlinks can be used to show the address in Google Maps.

**This is generally a self-certifying database. The SBA does not make any representation as to the accuracy of any of the data included, other than certifications relating to 8(a) Business Development, HUBZone or Small Disadvantaged Business status. The SBA strongly recommends that contracting officers diligently review a bidder's small business self-certification before awarding a contract.**

**Location of Profile**

States:  
(any state)  
AL - Alabama  
AK - Alaska  
AA - American Atlantic (APO/FPO)  
AE - American Europe (APO/FPO)  
AP - American Pacific (APO/FPO)  
AS - American Samoa  
AZ - Arizona  
AR - Arkansas  
CA - California

Searching within a State:  
(Requires exactly one state from the State list at left.)

Congressional District: [Help](#)

County:  Select 1 State, then press Lookup [Lookup](#) [Help](#)

[\(How to make multiple selections.\)](#)

Area Code or Phone Number Initial Fragment  
 Metropolitan Statistical Area [Help](#)  
 SBA Servicing Office [Help](#)  
 Zip Code or Zip Code Initial Fragment

**Government Certifications**

Last modified: 07/13/2004 12:00:00 AM  
> [FirstGov](#) > [E-Gov](#) > [Regulations.gov](#) > [White House](#)  
\* Privacy & Security \* Information Quality \* FOIA \* No Fear Act \* ADA

SBA Processing: 0.197 seconds Version: SBSS 8.1.1  
Session timeout in 59 minutes.

# DSBS – How HUBZone Certification is Displayed


Each firm's DSBS profile has two fields relevant to HUBZone certification:

- “HUBZone Certified? [ ] Yes [ ] No”
- “HUBZone Certification Date”
  
- "HUBZone Certified? [X] Yes [ ] No" - indicates the firm is currently HUBZone certified. The date in the HUBZone Certification Date field is the date the firm was certified and became eligible for HUBZone awards.
- "HUBZone Certified? [ ] Yes [X] No" - indicates the firm is NOT currently HUBZone certified. The dates in the HUBZone Certification Date field is the date the firm was originally certified and the date the certification ended. This firm is not currently eligible for HUBZone Awards.
- "HUBZone Certified? [ ] Yes [X] No" with N/A next to “HUBZone Certification Date” means that the firm was never HUBZone certified

## **NOTE:**

- “HUBZone Certification Date” indicates the initial date of certification and does not reflect the dates of any recertification process, which are internal to SBA
- An approval or recertification letter is **NOT valid evidence** that a firm is currently HUBZone certified, because the firm may have been decertified since the notice was issued.

# DSBS example: Currently Certified HUBZone Small Business

 [SBA Profile](#) [Mobile View](#) [Exit](#) [Back To Profile List](#) Ready

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**8(a) Certification:**

SBA 8(a) Case Number:  
SBA 8(a) Entrance Date:  
SBA 8(a) Exit Date:

**Small Disadvantaged Business Certification:**

SDB Entrance Date:  
SDB Exit Date:

**HUBZone Certification:**

HUBZone Certified?:  Yes  No  
HUBZone Certification Date: 11/05/2009

**8(a) Joint Venture Certification:**

8(a) JV Entrance Date:  
8(a) JV Exit Date:

**DBE Certifications (and State):**

(none)

**Non-Federal-Government Certifications:**

CA PUC - WBE  
SB

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Last modified: 07/22/2013 12:00:00 AM [> FirstGov](#) [> E-Gov](#) [> Regulations.gov](#) [> White House](#) SBA Processing: 2.284 seconds Version: SBSS 8.1.1  
Session timeout in 49 minutes.

\* Privacy & Security \* Information Quality \* FOIA \* No Fear Act \* ADA

# DSBS example: Decertified HUBZone Small Business

The screenshot shows a web browser window displaying the SBA Profile page for a decertified HUBZone Small Business. The browser address bar shows the URL: dsbs.sba.gov/dsbs/search/dsp\_profile.cfm?RequestTimeout=60&DUNS=608215117. The page header includes the SBA logo, "SBA Profile", and navigation links for "Mobile View", "Exit", and "Back To Profile List". A "Ready" status indicator is visible in the top right corner.

**8(a) Certification:**  
SBA 8(a) Case Number:  
SBA 8(a) Entrance Date:  
SBA 8(a) Exit Date:

**Small Disadvantaged Business Certification:**  
SDB Entrance Date:  
SDB Exit Date:

**HUBZone Certification:**  
HUBZone Certified?:  Yes  No  
Previously HUBZone certified: From 09/27/2002 through 05/08/2008

**8(a) Joint Venture Certification:**  
8(a) JV Entrance Date:  
8(a) JV Exit Date:

**Non-Federal-Government Certifications:**  
(none given)

**Products & Services**

**Capabilities Narrative:**  
CUT AND SEW SWEATSHIRTS & PANTS, JACKETS, PLACKET SHIRTS, T-SHIRTS, BLANKETS, RUGS, EXERCISE SUITS, CHILDREN'S CLOTHES, PATIENT GUARDS TO PREVENT BEDSORES, WRIST BRACE FOR CARPAL TUNNEL SYNDROME, Duffle Bags, Sleeping Bags AND other misc. textile items.

**Special Equipment/Materials:**  
300 MULTIPLE TYPE SEWING MACHINES, MODERN CUTTING EQUIPMENT & TABLES, AUTOMATED PACKING MACHINES, HANDLING EQUIPMENT, CLEANING DEPT, SPECIAL ATTACHMENTS, BRAIDING MACHINES.

Last modified: 03/03/2017 12:00:00 AM

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SBA Processing: 2.493 seconds Version: SBSS 8.1.1  
Session timeout in 59 minutes.



# DSBS example: Non-HUBZone Small Business

Skip Navigation Accessibility Options  
SBA Profile [Mobile View](#) [Exit](#) [Back To Profile List](#) Ready

**8(a) Certification:**  
SBA 8(a) Case Number:  
SBA 8(a) Entrance Date:  
SBA 8(a) Exit Date:

**Small Disadvantaged Business Certification:**  
SDB Entrance Date:  
SDB Exit Date:

**HUBZone Certification:**  
HUBZone Certified?: [  ] Yes [  ] No  
HUBZone Certification Date: N/A

**8(a) Joint Venture Certification:**  
8(a) JV Entrance Date:  
8(a) JV Exit Date:

**DBE Certifications (and State):**  
(none)

**Non-Federal-Government Certifications:**  
(none given)

[Products & Services](#)

Last modified: 07/22/2013 12:00:00 AM  
> [FirstGov](#) > [E-Gov](#) > [Regulations.gov](#) > [White House](#)  
\* Privacy & Security \* Information Quality \* FOIA \* No Fear Act \* ADA

SBA Processing: 2.237 seconds Version: SBSS 8.1.1  
Session timeout in 59 minutes.



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