

HUBZone EMPOWERMENT CONTRACTING PROGRAM

<http://www.sba.gov/hubzone>



PROGRAM SUMMARY

MISSION:

- Provide Federal contracting opportunities for certain qualified small business concerns located in distressed communities in an effort to promote private sector investment and employment opportunities in these communities. Fostering the growth of Federal contractors in these areas and ensuring that these contractors become viable businesses for the long term will help to empower these areas while not adversely affecting recent efforts to streamline and improve the Federal procurement process.

BACKGROUND:

- Over the past several years, the Administration and Congress have advanced proposals to improve economic opportunities in distressed communities throughout the country. Both the Administration and Congress have sought to promote economic development and employment growth in such communities through access to Federal contract opportunities.
- This program seeks to encourage economic development in historically underutilized business zones – or HUBZones – through establishment of preferences for award of Federal contracts to small businesses located in these areas. The HUBZone Empowerment Contracting Program was enacted into law as part of the Small Business Reauthorization Act of 1997. The program falls under the auspices of the U.S. Small Business Administration. The final rule to implement the Program was issued on June 11, 1998. Program enhancements through amendments to this '98 final rule appeared in the *Federal Register* on June 18, 2001 and were effective February 20, 2001.

QUALIFICATION:

- A concern may be determined to be a “qualified HUBZone small business concern” if it is:
 1. small by SBA standards;
 2. located in an “historically underutilized business zone;”
 3. owned and controlled by one or more U.S. citizens, a Community Development Corporation or Indian tribe; and
 4. at least 35% of its employees reside in a HUBZone.

HISTORICALLY UNDERUTILIZED BUSINESS ZONES:

- **URBAN – Metropolitan Areas – Qualified Census Tracts (7,000)**
- **RURAL - Non-metropolitan Counties: (determined by income or unemployment) (900)**
- **NATIVE AMERICAN -- Federally recognized Indian reservations**

AFFECTED PROCURING AGENCIES:

As of Oct. 1, 2000, all Federal departments and agencies involved with procurement must factor into their contracting plans the annual goals that have been established for the HUBZone Empowerment Contracting Program.

GOALING LEVELS:

Based on total Federal prime contract awards, for fiscal year 2001 the goal is 2%; FY2002 – 2 ½%; FY2003 and each fiscal year thereafter – 3%.

PROGRAM LAUNCH:

The HUBZone Empowerment Contracting Program was formally opened to the public on March 22, 1999. By May 2001, more than 3,000 firms have obtained HUBZone certification.

HUBZone EMPOWERMENT CONTRACTING PROGRAM WEB SITE:

The web site, <http://www.sba.gov/hubzone>, provides a wide array of resources. Information available includes mapping capabilities that identify qualified areas allowing potential applicants to determine if they are located in a HUBZone, applications in both electronic and paper formats (with electronic the preferred method of submission), a detailed guide and for completing the application and historical background on this initiative.

For additional information:

U.S. Small Business Administration

HUBZone Empowerment Contracting Program

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Rebuilding America's Communities One Small Business at a Time