

## **HUBZone Certification**

The **Historically Underutilized Business Zones** (HUBZone) program helps small businesses in urban and rural communities gain preferential access to federal procurement opportunities. These preferences go to small businesses that obtain HUBZone certification in part by employing staff who live in a HUBZone. The company must also maintain a "principal office" in one of these specially designated areas.

## **Understanding the HUBZone Program**

The **Historically Underutilized Business Zones** (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 program encourages economic development in historically underutilized business zones - "HUBZones" - through the establishment of preferences.

SBA's HUBZone program is in line with the efforts of both the Administration and Congress to promote economic development and employment growth in distressed areas by providing access to more federal contracting opportunities.

## **How the HUBZone Program Works**

The SBA regulates and implements the HUBZone program. SBA does the following:

- Determines which businesses are eligible to receive HUBZone contracts
- Maintains a listing of qualified HUBZone small businesses that federal agencies can use to locate vendors
- Adjudicates protests of eligibility to receive HUBZone contracts
- Reports to the Congress on the program's impact on employment and investment in HUBZone areas.

## **Benefits of the HUBZone Program**

The program's benefits for HUBZone-certified companies include:

- Competitive and sole source contracting
- 10% price evaluation preference in full and open contract competitions, as well as subcontracting opportunities.

The federal government has a goal of awarding 3% of all dollars for federal prime contracts to HUBZone-certified small business concerns.

## Eligibility for the HUBZone

Make sure to review the [HUBZone Primer \(transcript\)](#) to understand the HUBZone 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% by U.S. citizens, or a Community Development Corporation, 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](#)
- At least 35% of its employees must reside in a HUBZone.

If you are eligible, visit [Applying for the HUBZone Program](#), as well as [Maintaining the HUBZone Certification](#).

Don't know if you are in a HUBZone? Check out the [HUBZone Map](#). <http://map.sba.gov/hubzone/maps/>

For more information on HUBZones... visit <http://www.sba.gov/hubzone>