The facts about…

**HUBZone Empowerment Contracting Program**

**What is the HUBZone Empowerment Contracting Program?** The SBA’s HUBZone Program was enacted into law as part of the Small Business Reauthorization Act of 1997. Small businesses in high unemployment, low-income areas can receive an economic boost from the U.S. Small Administration’s HUBZone Contracting Program. This program provides contract assistance to small businesses located in economically-distressed communities referred to as historically underutilized business zones to promote job growth, capital investment and economic development in these areas including Indian reservations. To search for HUBZone firms, go to www.ccr.gov., select the Dynamic Small Business Search feature to locate vendors or potential partners in a joint venture or teaming arrangement.

**Contract Benefits:** 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 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 $6,500,000 for a requirement within the North American Industry Classification System (NAICS) code for manufacturing, or $4,500,000 for a requirement within all other NAICS codes. *Full and open* competitive HUBZone contracts can be awarded with a price evaluation preference. The offer of the HUBZone small business must not be 10% higher than the offer of a non-small business.

**Other Benefits:** Eligible HUBZone firms can qualify for higher SBA-guaranteed surety bonds on construction and service contract bids; and, firms in Empowerment Zone and Enterprise Communities (EZ/EC) can also benefit from employer tax credits, tax-free facility bonds and investment tax deductions.

**Requirements:** To qualify a business must meet these criteria: It must be a small business by SBA size standards; its principal office must be located within a HUBZone which includes lands on federal-recognized Indian reservations; it must be owned and controlled by one or more U.S. citizens, a Community Development Corporation or an Indian tribe; and, at least 35% of its employees must reside in a HUBZone. Existing businesses that choose to move to qualified areas are eligible. To fulfill the requirement that 35% of a HUBZone firm’s employees reside in a 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.

**Locating Eligibility Areas:** Computer mapping software is available at SBA’s HUBZone website. It allows firms to search the database by address, county or town and displays metropolitan areas, Indian reservations and counties that qualify by income, unemployment rate or both to determine if they’re located in a qualified HUBZone. Access site at http://www.sba.gov/hubzone.

**Applying to the Program:** The electronic application is located on the HUBZone Program website listed above.