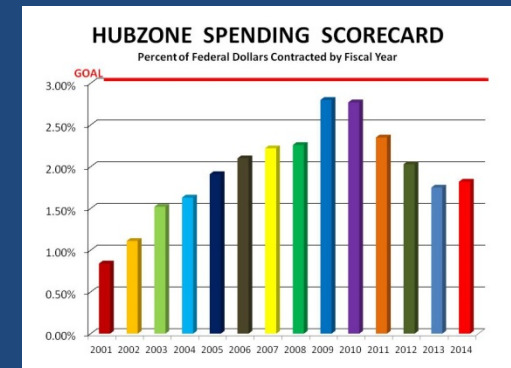


U.S. Food & Drug Administration HUBZone Small Business Fair

February 15, 2017

HUBZones
Work for America

HUBZone Program Overview



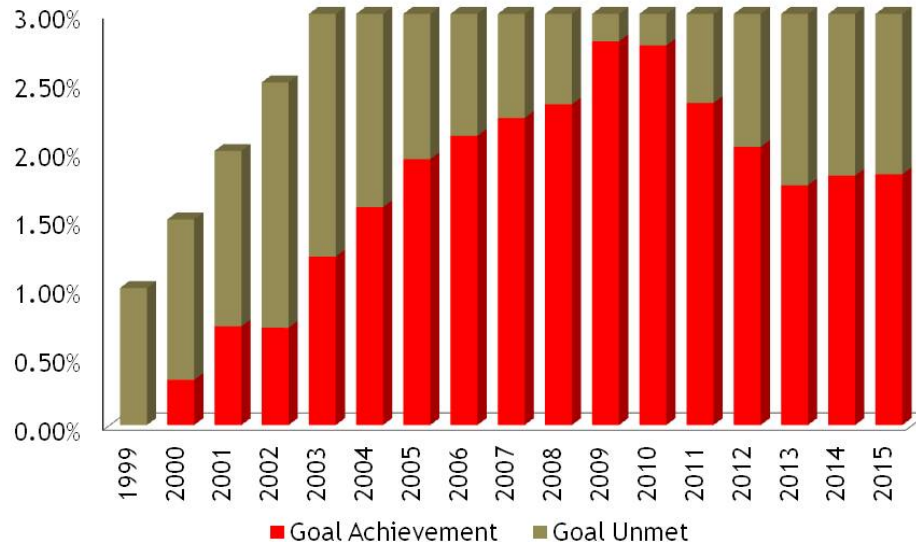
HUBZONE 20

20 Years of the HUBZone Program
1997-2017

HUBZone Program Overview & Update

HUBZONE SPENDING SCORECARD HISTORY

Percent of Federal Dollars Allocated to HUBZone Contracts
Compared to HUBZone Spending Goal by Fiscal Year



Federal Small Business Programs

BUSINESS ASSISTANCE PROGRAM

Small Disadvantaged Business / 8(a)

OWNERSHIP-BASED PROGRAMS

Woman-Owned Small Business

Service-Disabled Veteran-Owned

ECONOMIC DEVELOPMENT PROGRAM

Historically Underutilized Business Zone (HUBZone)

HUBZone is the only set-aside program based on location and employment, rather than ownership status.



HUBZone Success Stories



ECONOMIC DEVELOPMENT DEPARTMENT Leesburg, Virginia

The Town of Leesburg has leveraged its HUBZone areas to serve as incubators for small companies.

More than 40 companies are participating in the program – and 32 of them are start-ups. More than 20 of them have obtained their HUBZone certification.



And they have created more than 200 new jobs for the town.



HUBZone Success Stories



SYNTELLIGENT ANALYTIC SOLUTIONS Page County, Virginia

HUBZone-certified in 2012 with its principal office in Luray, Virginia, with 13 employees.

By 2016, company employed 70 people.

Spends close to \$500,000 in the community annually.

Created 27 new jobs in the HUBZone.

6 former part-time employees have moved to full-time positions with other companies.



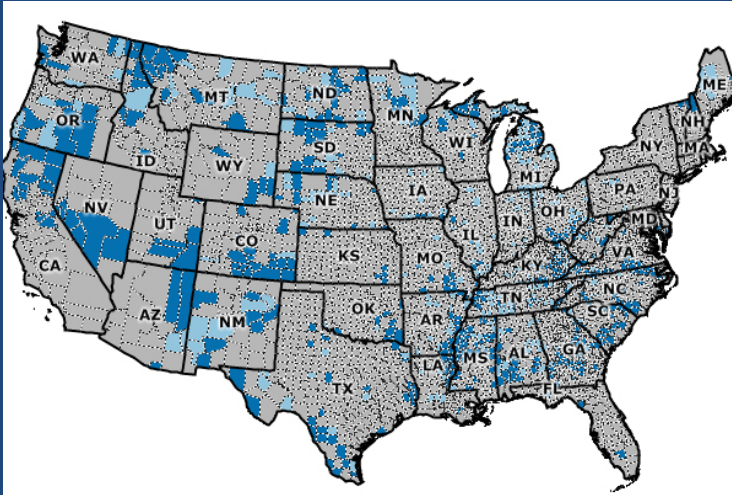
HUBZone Success Stories



EVERY DOLLAR
SPENT ON A
HUBZONE CONTRACT
CREATES JOBS
FOR THOSE WHO
NEED THEM MOST.

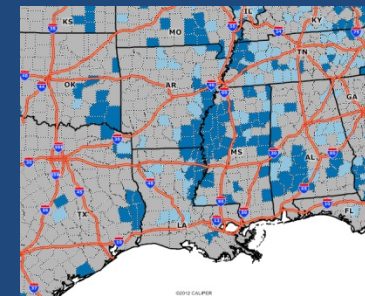
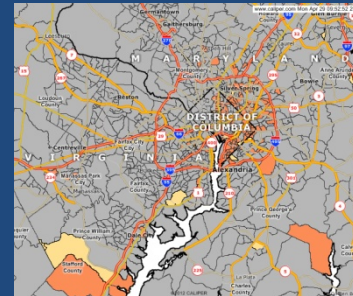
HUBZone Map

sba.gov/hubzone



Census Tracts (74,130)

- 16,368 (23%) are HUBZone-qualified
 - 917 will expire in 2018
 - 928 will expire in 2019



3-year
'redesignation'
period for map
changes

Counties (3,243)

- 1,217 Metro Counties - not qualified
- 1,259 Non-Metro Counties - not qualified
- 516 Non-Metro Counties are qualified
- 251 Non-Metro Counties are qualified but will expire by 2020

HUBZone Program Certification Requirements

SBA.GOV
The U.S. Small Business Administration

Size Standards Tool

SIZE STANDARDS

Feedback

1 Enter Your Industry Code

2 Enter Your Business Size

3 Get Your Result



Does Your Small Business Qualify for Government Contracts?

This tool can help you determine if you qualify as a "small business" under SBA size standards. Qualifying as "small" may allow your business to take advantage of valuable government contracting opportunities reserved for small businesses. To be eligible as a small business concern, your business must satisfy the SBA's size standard for your industry, be operated for profit, be independently owned and operated, and be based in the U.S., making significant contributions to the U.S. economy.

SBA uses the North American Industry Classification System (NAICS) as the basis for its size standards. NAICS assigns numerical codes to classify business activities to various economic sectors and industries. An NAICS code has six digits. The first two indicate the economic Sector, the third the Subsector, the fourth the Industry Group, the fifth the Industry, and the sixth the U.S. Industry.

1. Enter Your Six Digit NAICS Code(s)

Don't know your NAICS code? Visit the [official NAICS website \(http://www.census.gov/eos/www/naics/index.html\)](http://www.census.gov/eos/www/naics/index.html) to find the code(s) applicable to your industry. Please note that SBA's size standards are currently based on 2012 NAICS. Thus, this tool requires a 2012 NAICS code to generate a result.

MY NAICS CODES

HUBZone Program Certification Requirements

OWNERSHIP

- Owned and controlled at least 51% by U.S. citizens
- Wholly owned or owned in part by one or more Indian Tribal Governments or by a corporation that is wholly owned by one or more Indian Tribal Governments
- An ANC owned and controlled by Natives or a direct or indirect subsidiary corporation, joint venture, or partnership of an ANC
- Wholly owned or owned in part by a CDC
- A small agricultural cooperative or a small business concern wholly owned or owned in part by one or more small agricultural cooperatives



HUBZones
Work for America

ABOUT THE HUBZONE PROGRAM

The Historically Underutilized Business Zone (HUBZone) Empowerment Contracting Program encourages small businesses to locate in and hire employees from economically disadvantaged areas of the United States. Companies participating in the program can receive competitive advantages in winning federal contracts.

The HUBZone Empowerment Act became law as part of the Small Business Reauthorization Act of 1997. The U.S. Small Business Administration (SBA) regulates and implements the program, determines which businesses are eligible to receive HUBZone contracts, maintains a database of qualified HUBZone businesses that federal agencies use to locate vendors, and adjudicates protests of eligibility to receive HUBZone contracts.

The government maintains a goal to spend at least 3% of federal contracting dollars on HUBZone contracts. Virtually all federal agencies participate in the program.

HUBZones are generally determined by economic indicators and include qualified census tracts, non-metropolitan counties, lands within Indian reservations, and/or other designated areas.

HUBZONE CERTIFICATION REQUIREMENTS

A firm must be a 'small business' according to the size standards based on the North American Industry Classification System (NAICS).

The firm must be at least 51% owned and controlled by citizens of the United States.

The firm's principal office (where the greatest number of employees perform their work, excluding contract sites) must be located in a designated HUBZone area.

At least 35% of the firm's total workforce must reside in a designated HUBZone area.

To apply for HUBZone certification, contact the SBA at sba.gov/hubzone.

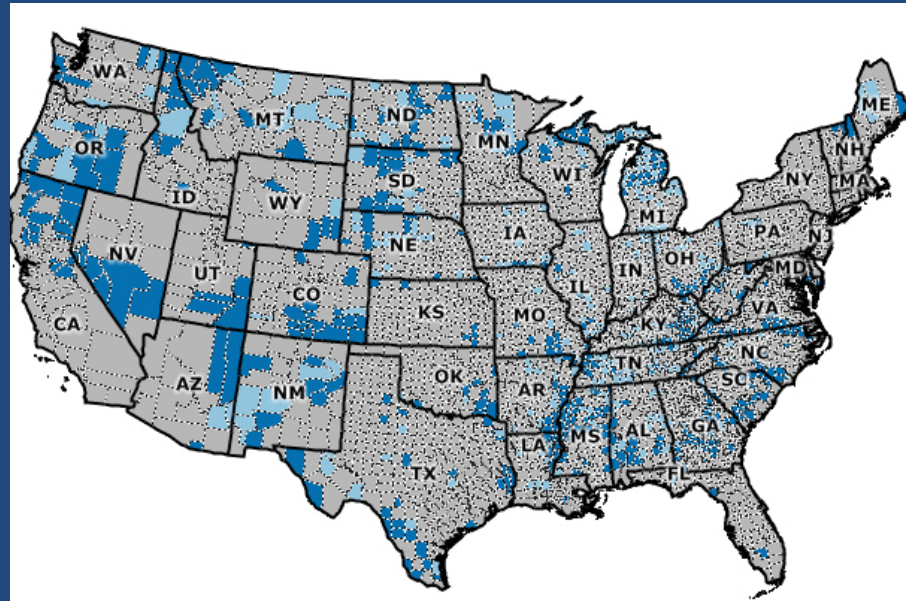


HUBZone Program Certification Requirements



PRINCIPAL OFFICE

must be located in a HUBZone
(one location where more people work
than any other location)



HUBZone Program Certification Requirements



EMPLOYEES

at least 35% must reside in a HUBZone
(must count all employees who work 40+ hours per month)

HUBZone Program

Certification Requirements

- The firm must be a **small business** according to the size standards based on the North American Industry Classification System (NAICS).
- The firm must be at least 51% owned and controlled by **citizens** of the United States (or a community development corporation, an agricultural cooperative, or an Indian tribe).
- The firm's **principal office** (where the greatest number of employees perform their work, excluding contract sites) must be located in a designated HUBZone area.
- At least 35% of the firm's total **workforce** must reside in a designated HUBZone area.

NO FIXED CERTIFICATION PERIOD

Must Maintain Requirements to Remain Certified

HUBZone Program

Certification Requirements

Case Study: HUBZone-Qualified?

- Small Business: based on SBA size standards.
- Ownership: 100% owned by the CEO, a US citizen.
- Principal Office:
 - 3 full-time employees, including the CEO, work in its headquarters office which is not located in a HUBZone.
 - 4 full-time employees, plus 1 part-timer (who works 20 hours per week), work at an office facility in another state but it is in a HUBZone.
 - 1 full-time employee works from home.
 - 1 full-time employee works at a client site.
- Employee Residency:
 - 1 headquarters employee lives in a HUBZone.
 - 2 other office facility employees plus the part-timer live in a HUBZone.

Maintaining HUBZone Certification

If your business is HUBZone-certified and there are no changes during your certification, you have (almost) no reporting obligations to SBA. However, you must report all material changes to SBA because they may affect your eligibility in the HUBZone Program. Report material changes to hzmcn@sba.gov.

What is considered a material change?

- Change in ownership
- Change in business structure
- Change in principal office
- Failure to maintain the 35% employee HUBZone residency requirement

ACCURATE RECORD-KEEPING IS CRITICAL.

Maintaining HUBZone Certification

There is no limit to the length of time you can be qualified as a HUBZone small business. You may remain certified as long as you continue to follow the HUBZone regulations and notify SBA of any material changes.

Every 3 years, SBA will ask you to formally recertify your status, either by signing a form or submitting new documentation.

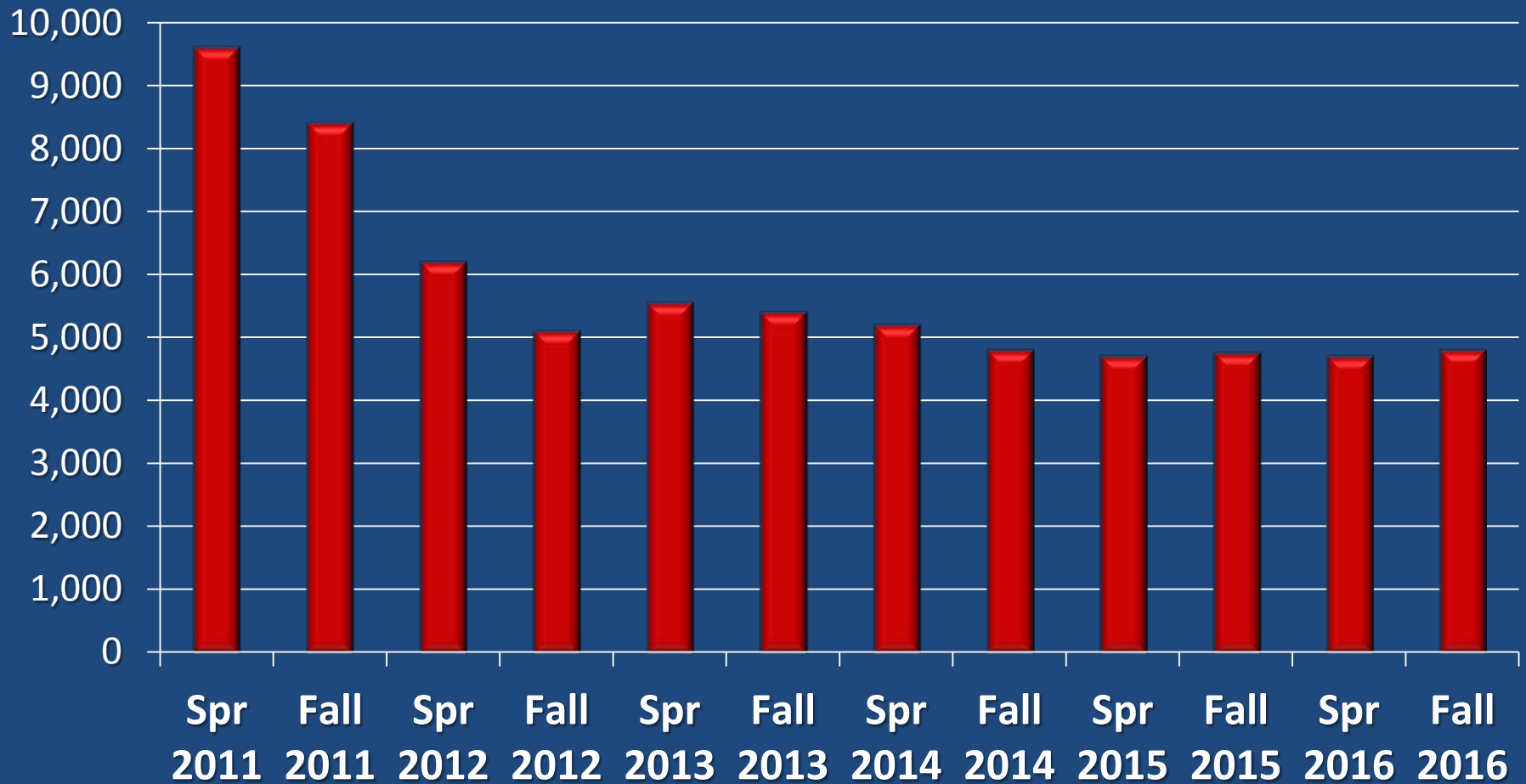
Always be prepared to defend against potential status challenges.

If you fall out of compliance with HUBZone requirements, you should voluntarily decertify. You can reapply after a 90-day waiting period once you requalify.

ACCURATE RECORD-KEEPING IS CRITICAL.

HUBZone Company Profile

Number of HUBZone-Certified Firms



HUBZone Company Profile



- Industries – Most NAICS Codes
 - Services 45%
 - Construction 35%
 - Manufacturing 12%
 - Research & Development 8%
- Located in all 50 States, DC, & Territories
- Average Number of Employees per Company = 12

HUBZone Spending - Agencies

Prime HUBZone Contracts - FY16*

\$6.9 billion = 1.67% of total eligible dollars

Government-Wide Spending Goal = 3%

DOLLAR VOLUME (\$mil) – Top Agencies

- Defense \$4,000
- Homeland Security \$584
- Veterans Affairs \$366
- Health & Human Services \$243
- Agriculture \$233
- Transportation \$206
- State \$203
- Commerce \$194
- General Services Administration \$164
- Interior \$149
- Treasury \$135

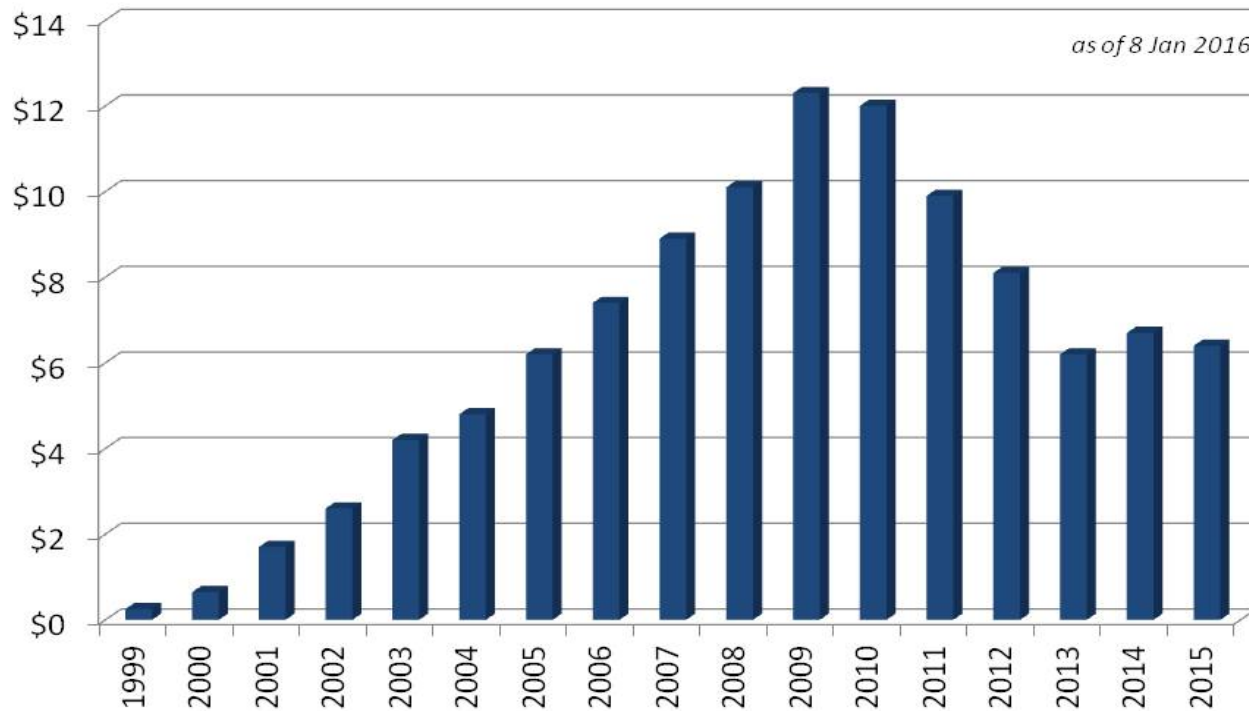
SPENDING PERCENTAGES – HZ Goal Met

- Transportation 10.07%
- Small Business Administration 6.54%
- Interior 4.91%
- Securities & Exchange Commission 4.57%
- Treasury 4.47%
- Commerce 4.33%
- Homeland Security 4.19%
- Smithsonian Institution 4.09%
- General Services Administration 3.90%
- Agriculture 3.87%
- Office of Personnel Management 3.19%

HUBZone Spending - Dollars

HUBZONE SPENDING: Fiscal 1999-2015

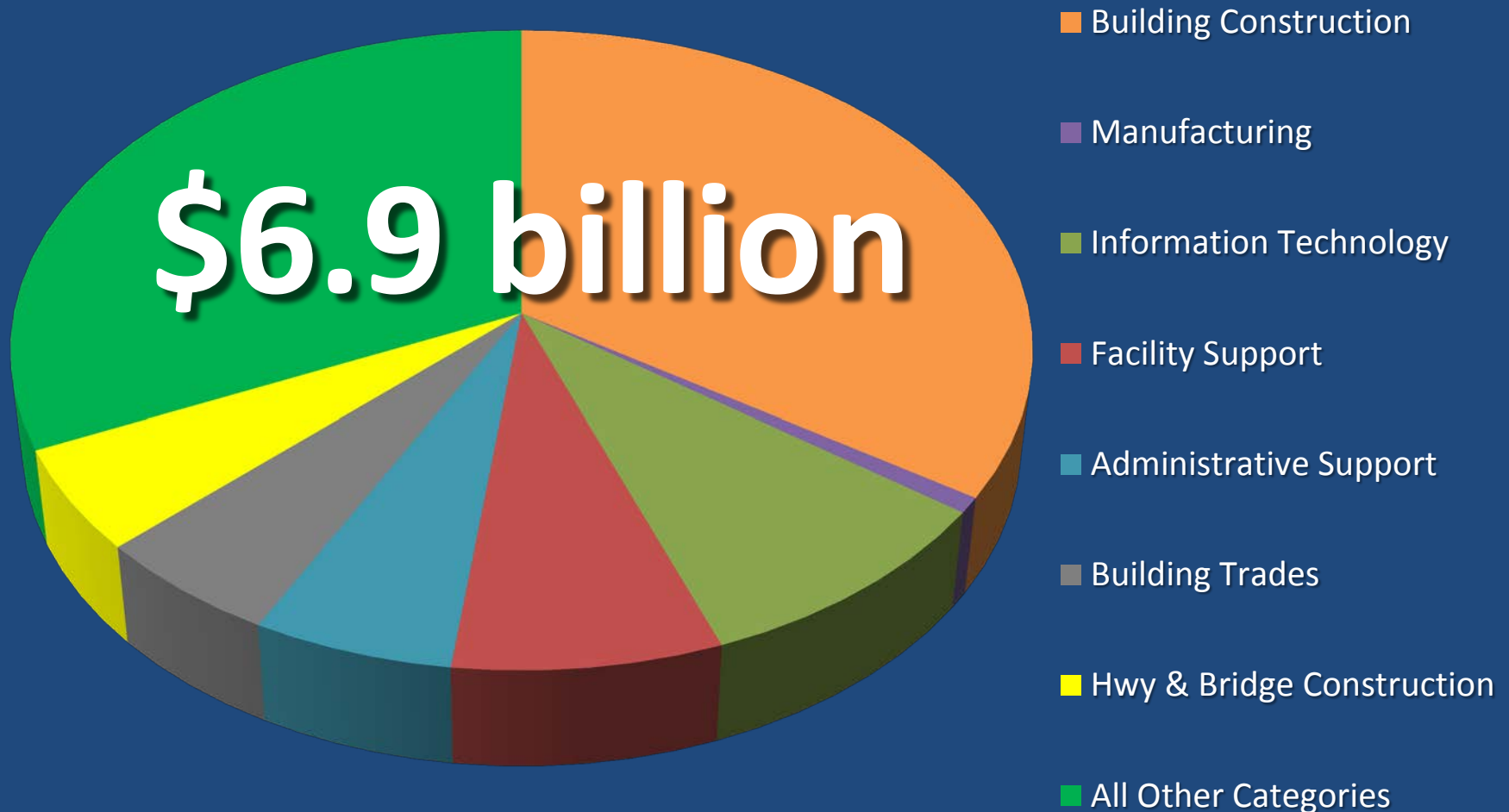
in billions of dollars *(per smallbusiness.data.gov)*



*Every Dollar Spent on HUBZone Contracts
Generates Jobs for Those Who Need Them Most*

HUBZone Spending - *Dollars*

Fiscal 2016* – by General NAICS Category



* Unofficial data as of January 2017. Source: smallbusiness.data.gov.

HUBZone Spending - Percentages

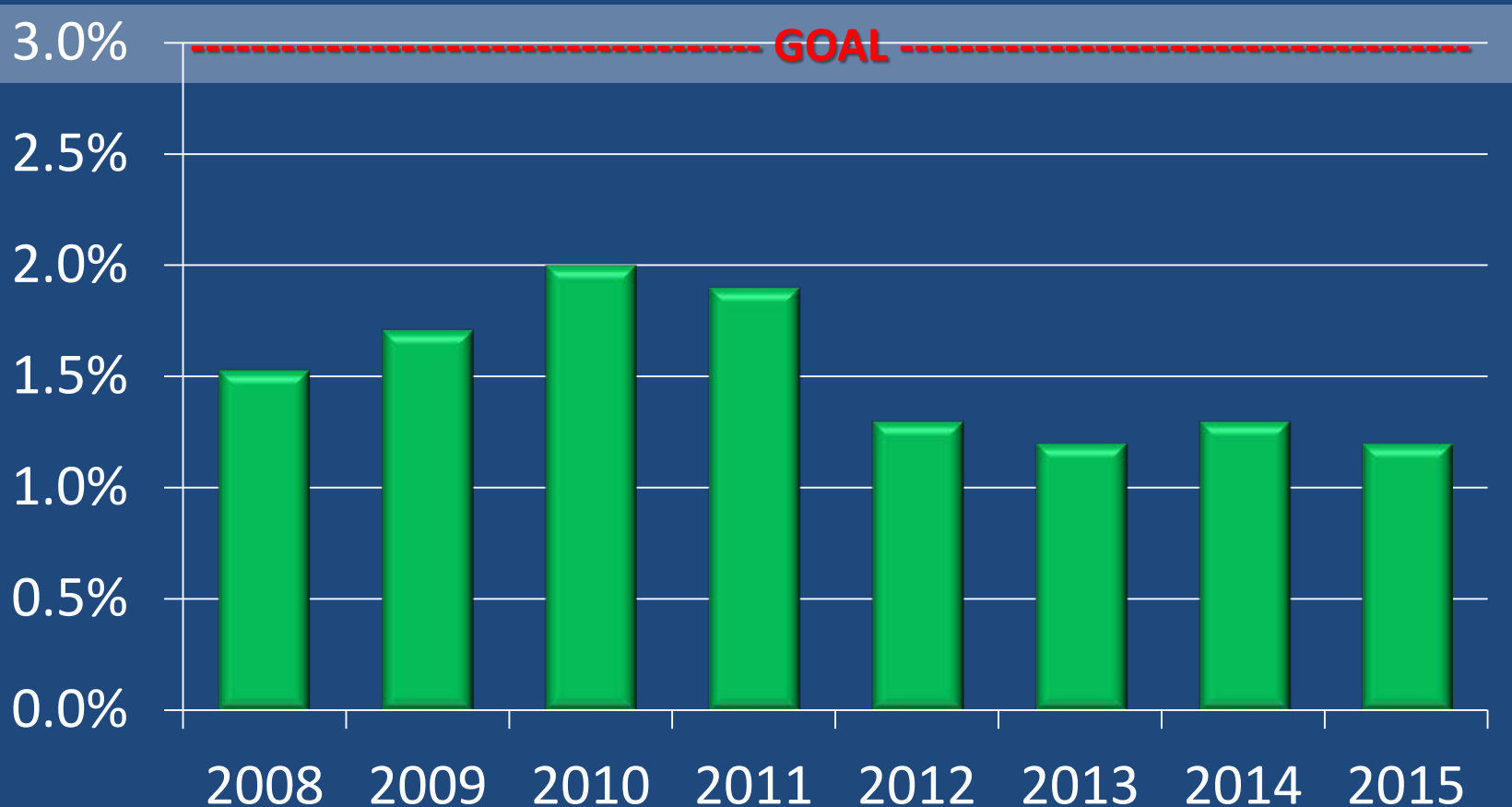
HUBZONE SPENDING SCORECARD HISTORY

Percent of Federal Dollars Allocated to HUBZone Contracts Compared to HUBZone Spending Goal by Fiscal Year



HUBZone Spending - Percentages

SUBCONTRACTING GOAL ACHIEVEMENT



Source: sba.gov/content/small-business-procurement-scorecards-0



HUBZone Future Outlook

- HUBZone Council / SBA Partnership
 - Strategic Alliance Memorandum
 - No More Tax Returns for Application
 - 20% Cap on QCTs Lifted
 - New Mapping System in 2017
 - Improved Application System in 2017
- Policy Priorities – Program Modernization
 - Provide More Business Certainty
 - Increase Resignation Period from 3 to 7 Yrs
 - Support Capital Investment of Principal Office
 - Simplify Employee Residency Requirement
 - Streamline Certification Process
 - Modernize Eligibility Formulas
 - Review Criteria to Determine HUBZone Eligibility
 - Support Removal of 20% QCT Cap in Metro Areas





HUBZone Future Outlook

- Congressional Action
 - 2016: Redesignation increase from 3 to 7 years passed the Senate but failed in the House (twice)
 - 2017: HUBZone Modernization is on the agendas of House & Senate small business committees
 - HUBZone hearing(s) will start in March in the House
- Federal Agencies & Primes
 - Increased commitment to achieve HUBZone goals
- HUBZone Businesses
 - Improve responses to Sources Sought Notices



HUBZone Council



HUBZones
Work for America

HOME | NEWS & ANNOUNCEMENTS | HUBZONE PROGRAM | COUNCIL MEMBERSHIP | EVENTS | MARKETPLACE STORE | CONTACT US | Member Area

HUBZone Contractors National Council



Supporting Small Businesses and the HUBZone Program

HUBZone Small Business Summit
April 20, 2016
Chicago
[Summit Information](#)

National **HUBZone Conference**
October 13-14, 2016
Chantilly, Virginia
[Conference Information](#)

Most Popular Benefits of HUBZone Council Membership
Join the Council to receive these benefits and more.
[Council Membership Information](#)

HUBZone Council Help Desk
Assistance with HUBZone Certification, Recertification, and Marketing Issues
[ACCESS THE HELP DESK](#)

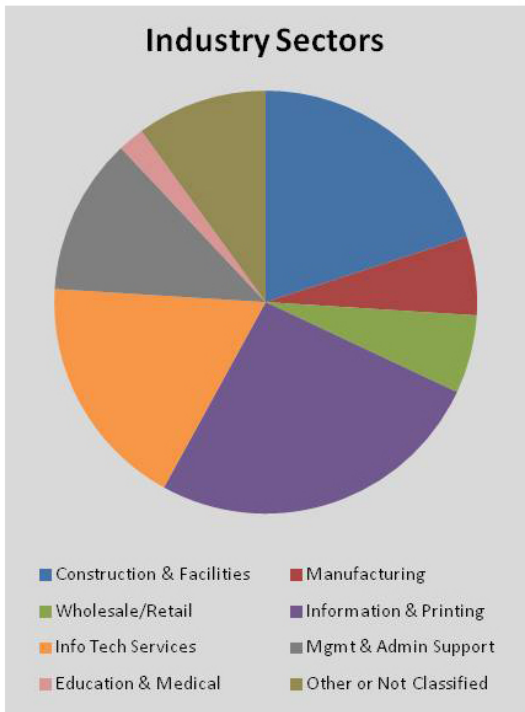
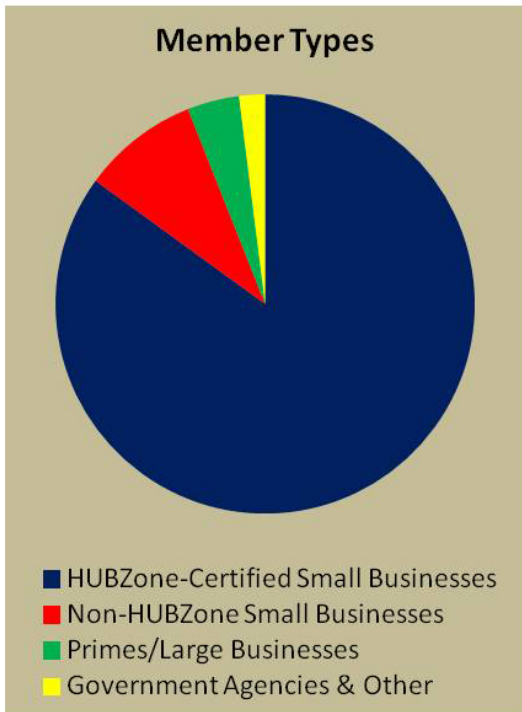
Legal Hotline
Consultations about Bid Protests, Status Challenges, and Other Legal Issues
[ACCESS THE LEGAL HOTLINE](#)

HUBZone Classified Opportunities Board
Sources Sought, RFPs, and Subcontracting Opportunities for HUBZone-Certified Firms
[ACCESS THE OPPORTUNITIES BOARD](#)



HUBZone Council Membership

Council Member Company Profile



*Some of Our
Corporate Supporters*



HUBZone Council Mission



Non-Profit Independent Trade Association

- Strengthen, Improve & Promote the HUBZone Program
- Help HUBZone Companies Maximize Success in Obtaining Federal Contracts
- Support Economic Development & Create Jobs in America's Most Economically-Challenged Communities



HUBZone Advocacy Team

MISSION:

- Enhance the Council's influence within Congress and federal agencies
- Expand business opportunities for HUBZone-certified businesses
- Develop support within coalitions to achieve common goals
- Advocate for legislative changes to modernize and improve the HUBZone Program
- Contribute to the development of America's most economically-challenged communities by creating jobs

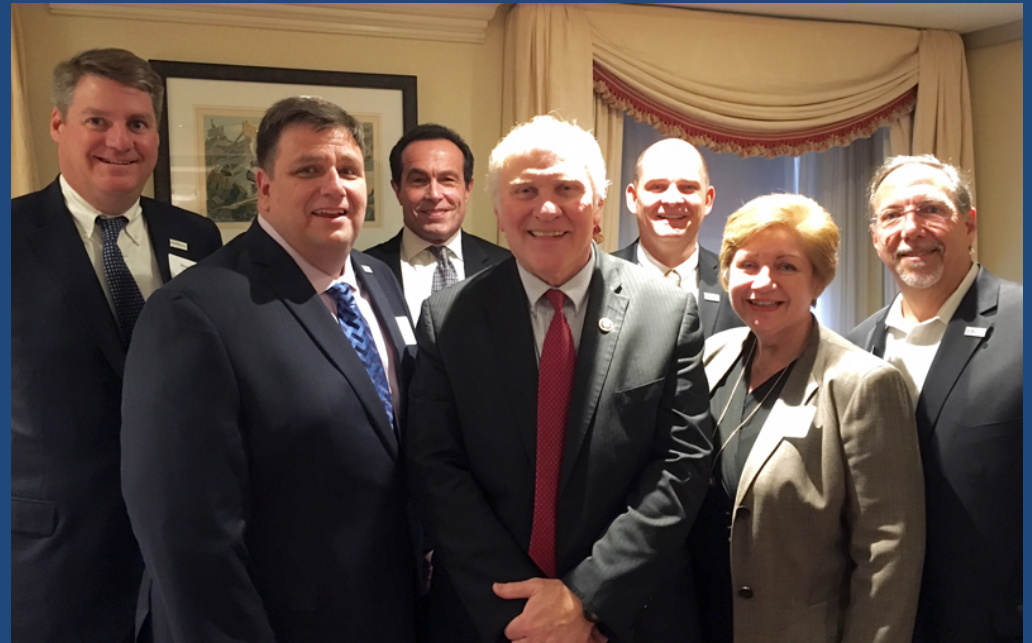
The Advocacy Team provides funding for this effort.



HUBZone Legislative Fly-In

June 21, 2017

Washington, DC



HUBZone Small Business *Summit*

April 26, 2017 – Philadelphia
July 27, 2017 – Columbus



National HUBZone Conference

October 12-13, 2017

Westfields Marriott Conference Center
Chantilly (Dulles), Virginia



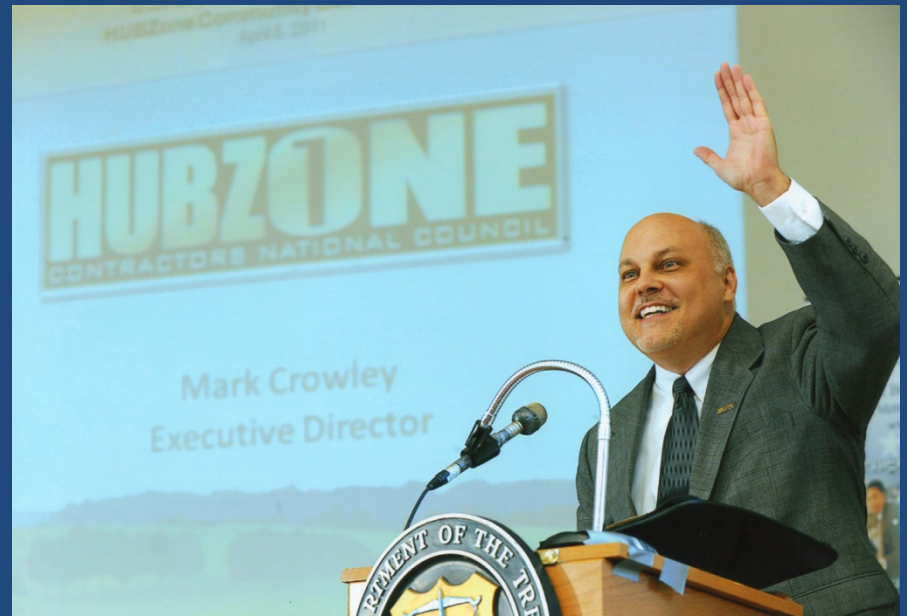
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Mark Crowley
Executive Director

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hubzonecouncil.org



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