



An Overview of the HUBZone Certification Program

March 2, 2016



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assistance to
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GOVERNMENT
Contractors
And Subcontractors**

**A Procurement Technical
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Serving the Wisconsin Business
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Wisconsin Procurement Institute

WPI Offices located at:

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10437 Innovation Drive, Suite 320

Milwaukee, WI 53226

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Juneau County Economic Development Corp.

122 Main St - Camp Douglas, WI 54618

608-427-2455 FAX: 608-427-2086

Western Dairyland EOC, Inc.

418 Wisconsin St. - Eau Claire WI 54703

608-427-2455 FAX: 608-427-2086

Fox Valley Technical College – DJ Bordini Center

5 Systems Drive – Appleton WI 54912

920-840-3771 FAX: 414-270-3610

**Racine County Economic Development Corporation –
Launch Box**

141 Main Street, Suite 2, Racine, WI 53403

414-270-3600 FAX: 414-270-3610

Madison Enterprise Center

100 S. Baldwin St., Madison, WI 53703

608-444-0047 FAX: 414-270-3610

Food Enterprise & Economic Development (FEED)

1219 N. Sherman Ave., Madison, WI 53704

608-444-0047 FAX: 414-270-3610

Wausau Region Chamber of Commerce

200 Washington Street, Wausau, WI 54403

920-456-9990 FAX: 414-270-3610

www.wispro.org - info@wispro.org



UPCOMING EVENTS 

02/26/2015
FEDERAL PRIME CONTRACTOR GROUP MEETING
ST. FRANCIS (MILWAUKEE) »

03/03/2015
SMALL BUSINESS GOVERNMENT CONTRACTING
SERIES: SELLING TO THE DEPARTMENT OF VETERANS
AFFAIRS
WAUWATOSA »

03/04/2015
ACQUISITION HOUR: LEARNING ABOUT WAWF - IRAPT
WEBINAR »

03/09/2015
ENTERING THE GOVERNMENT MARKET - A PRIMER
RACINE »

03/11/2015
ACQUISITION HOUR: PREPARING FOR CSPR AUDIT
WEBINAR »

CURRENT OPPORTUNITIES (7) 

GET STARTED WITH THE BASICS

Questions & answers on how to get started.

Wisconsin Procurement Institute

GET STARTED

SIGN-UP FOR OUR NEWSLETTER

Stay up-to-date with the latest WPI news.

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HAVE A QUESTION? WE'RE HERE TO HELP.

One of our staff of experts is available to answer your questions.

GET HELP

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SERVICES OFFERED BY WPI

- FREE Bid Matching Services
- Individual Counseling and Assistance
- Locating Local, State and Federal Opportunities
- Government Market Strategy Development
- Training in use of Government websites and tools
- Assistance with System for Award Management (SAM) Registration
- Assisting in Market Research Process
- Development of Market Profile
- Small Business Subcontracting Plans-Development, Outreach and Reporting
- Small Group Training
- Outreach and training with Local, State and Federal agencies
- Assist with Pre and Post Award Functions
- Assistance with Agency Specific Contracting Requirements
- Assistance with Contracting Regulations and Requirements, including FAR, DFAR, CFR
- Assistance with GSA Schedule Preparation and Administration
- Assistance with Local, State and Federal Certifications, including:
 - Service Disabled & Veteran Owned Small Business, HUBZone, Woman Owned Small Business, 8(a) Business Development Program
 - State
 - Local
 - DBE
- Bid Review and Submission Assistance
- Proposal and Assistance, Review and Submission Assistance
- Capabilities Statement and Related Government Marketing Material Development
- Assistance in Locating and Developing Teaming Partners and Subcontractors
- Updated Government Market Information

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Agenda

- Introduction – What Is A HUBZone?
- How The Program Works
- Benefits
- Location of the HUBZones
- The Map of HUBZones in WI
- Eligibility Requirements
- The Certification Process
- Maintaining the HUBZone Status
- Resources

Introduction – What Is A HUBZone

- Historically Underutilized Business Zone
- Program is designed to help small firms in certain communities gain access to federal contract opportunities
- HUBZone areas: typically areas of low median household incomes or high unemployment, or both
- 37 HUBZone certified firms in WI (over 5,000 nationwide) (source – SBA)
 - As an example, the state of California has over 500 HUBZone certified firms

How The Program Works

- SBA regulates and implements the HUBZone program
 - Determines which businesses are eligible
 - Maintains a listing of qualified HUBZone firms to fulfill procurement opportunities through DSBS:

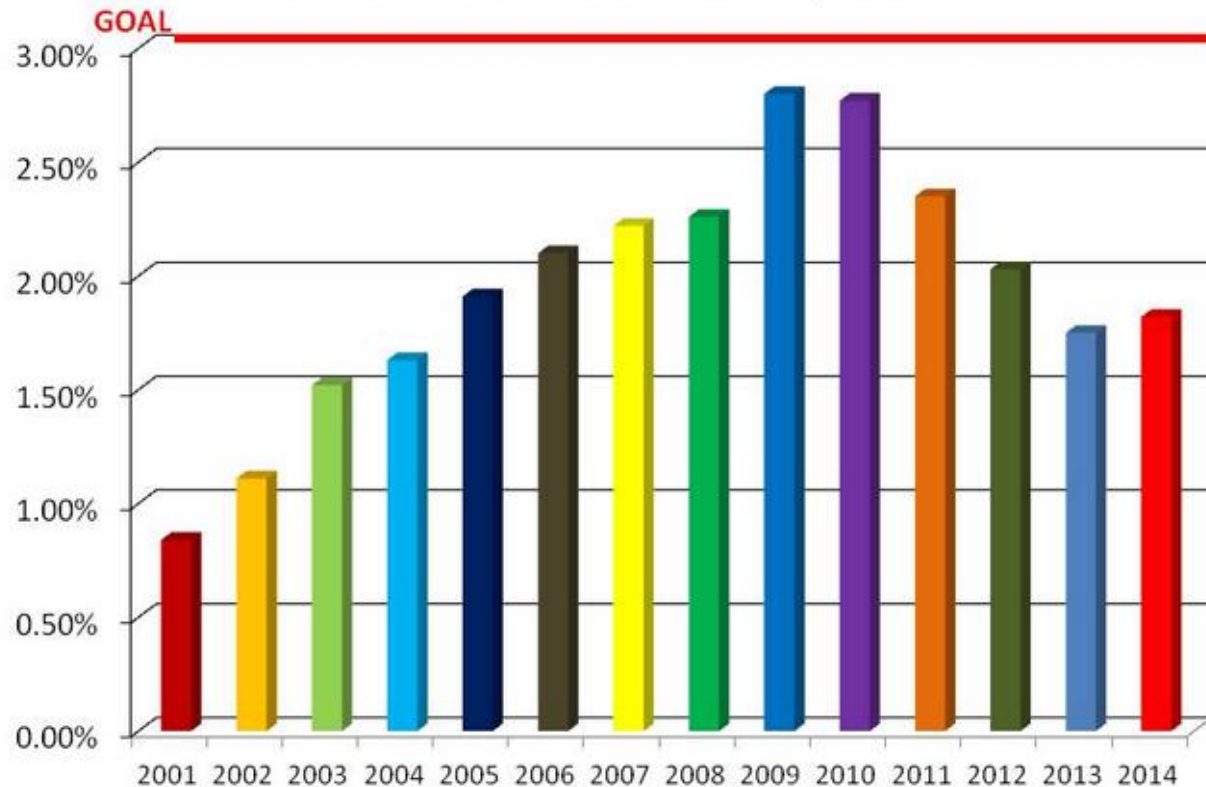
http://dsbs.sba.gov/dsbs/search/dsp_searchhubzone.cfm

- Adjudicates protests of eligibility regarding HUBZone contracts

Benefits

- 3% government-wide prime and subcontracting goals
 - Set aside contracts
 - Sole source
 - 10% price evaluation preference in full and open contract competitions
- Currently the Federal government does NOT meet the 3% goal – in 2014 only 1.82% (\$6.7 B)

Hubzone Spending Scorecard



Graph displays preliminary Fiscal 2014 spending results as of January 6, 2015.
Final 2014 results will be available by early summer 2015.

Source: smallbusiness.data.gov

Top 10 Industries for HUBZone contractors

NAICS Code	NAICS Description	Sum of Action Obligation
236220	COMMERCIAL AND INSTITUTIONAL BUILDING CONSTRUCTION	\$1,743,008,079.99
541519	OTHER COMPUTER RELATED SERVICES	\$492,571,287.07
237990	OTHER HEAVY AND CIVIL ENGINEERING CONSTRUCTION	\$480,969,293.45
237310	HIGHWAY, STREET, AND BRIDGE CONSTRUCTION	\$382,199,761.67
561210	FACILITIES SUPPORT SERVICES	\$222,409,722.62
541330	ENGINEERING SERVICES	\$185,305,152.36
236210	INDUSTRIAL BUILDING CONSTRUCTION	\$169,233,470.29
541712	RESEARCH AND DEVELOPMENT IN THE PHYSICAL, ENGINEERING, AND LIFE SCIENCES (EXCEPT BIOTECHNOLOGY)	\$162,085,865.02
561612	SECURITY GUARDS AND PATROL SERVICES	\$140,695,435.23
541512	COMPUTER SYSTEMS DESIGN SERVICES	\$137,367,103.43

FPDS data FY2014

Locations of the HUBZones

- There are 4 kinds of HUBZones:
 - A Qualified Nonmetropolitan County
 - A Qualified Census Tract
 - Indian Reservation Land (does NOT expire)
 - A Qualified Base Closure Area

Snapshot of the Hubzone-Certified companies in WI

- 37 companies
- 15 in Qualified Census Tracts
- 18 in Qualified Non Metropolitan Counties
- 4 in Indian Reservations

Locations of the HUBZones

- Redesignation:

When a county or tract loses its HUBZone qualification, it is redesignated for three years: A redesignated area qualifies for a limited time as a HUBZone area

If or when a tract or county ceases to meet the qualifications for HUBZone status, due to changes in income, unemployment, or poverty data, it becomes a redesignated area

***Reservation Land does not lose its status

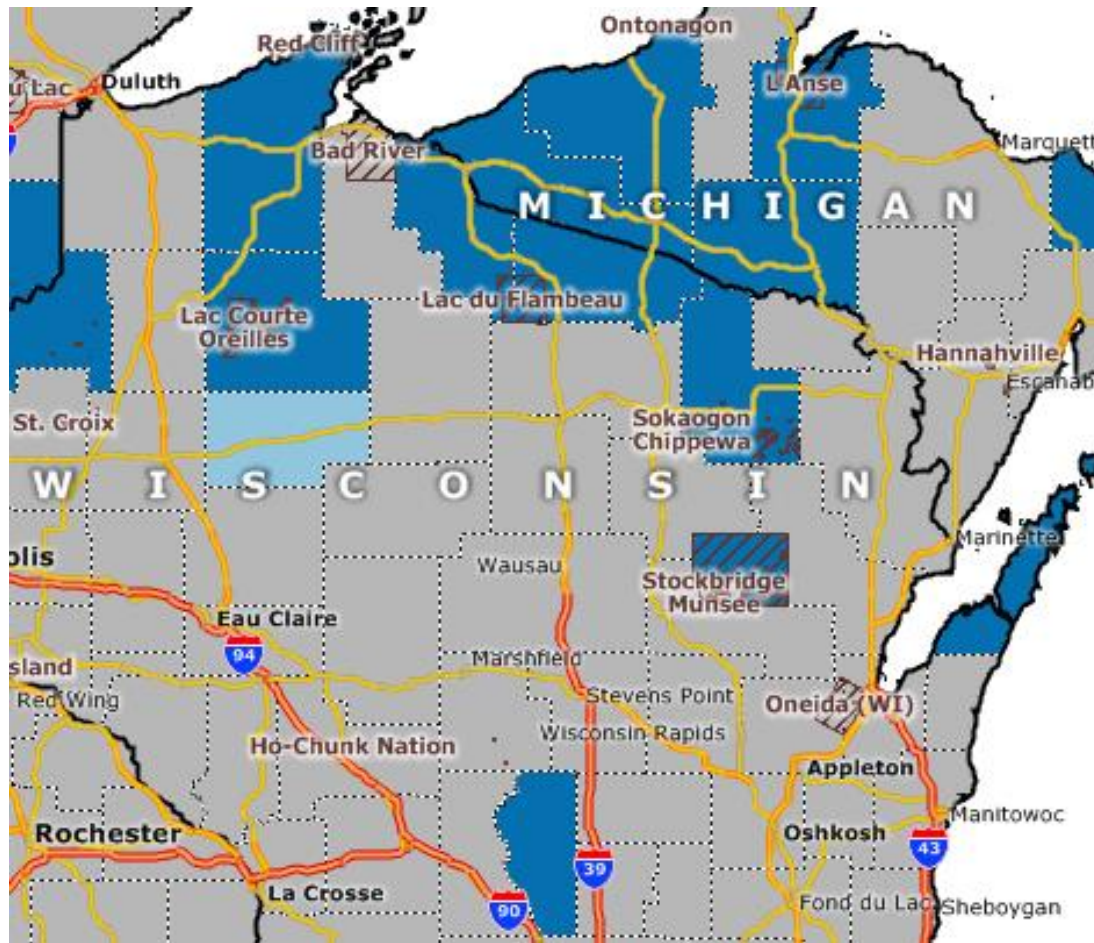
Locations of the HUBZones

HUBZone Map Qualification Data Comes from a Variety of Sources

Census Tracts	Housing & Urban Development (HUD)	adjusted every 5 years
Non-Metropolitan Counties	Bureau of Labor Statistics (employment) Census Bureau (income) HUD (Difficult Development Areas)	adjusted annually
Indian Land	Bureau of Indian Affairs	adjusted as necessary
Base Closure Areas	Defense	adjusted as necessary

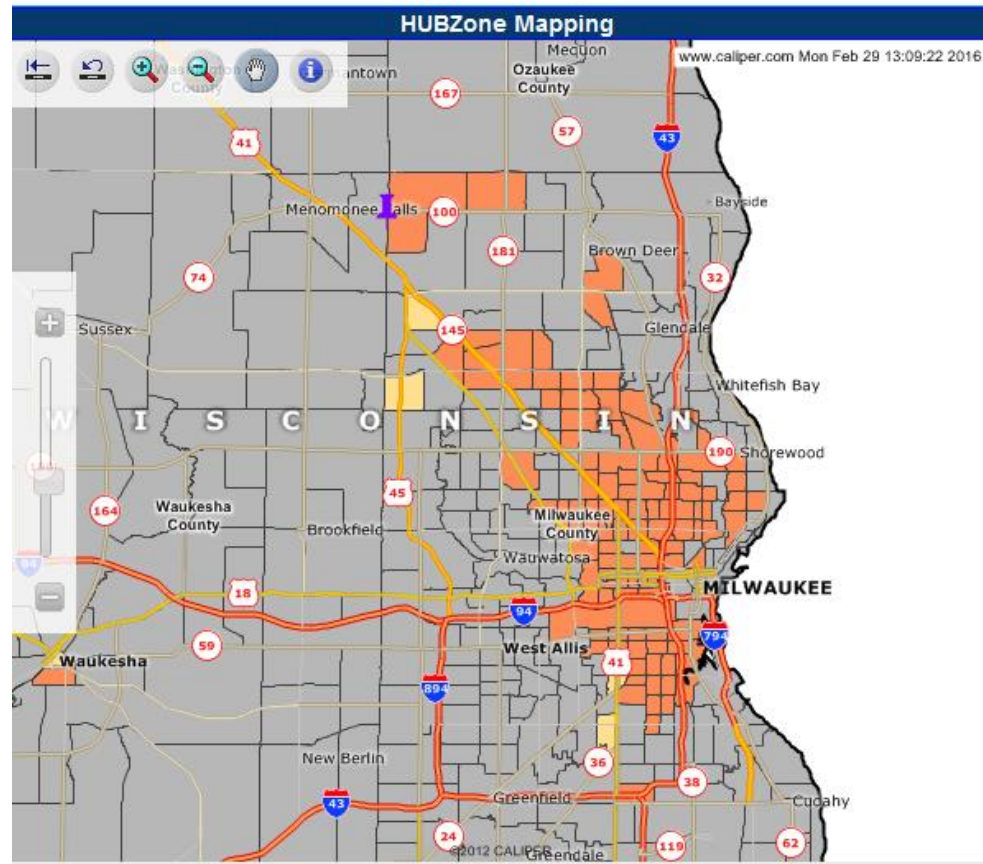
Since multiple agencies are responsible for providing updated information concerning the HUBZone Map, updates are often performed multiple times per year. This is particularly the case with non-metropolitan county HUBZones, which have three types of qualification data generated by three different agencies. The Small Business Administration is responsible for consolidating the information and maintaining the accuracy of the HUBZone Map.

Maps of HUBZones in WI



<http://www.sba.gov/content/hubzone-maps>

Maps of HUBZones in WI



<http://www.sba.gov/content/hubzone-maps>

Eligibility Requirements

<https://www.sba.gov/content/applying-hubzone-program>

- Small business (by SBA standards)
- Owned and controlled by at least 51% U.S. citizens or a community development corporation, an agricultural cooperative, or an Indian tribe
- Principal office must be located within a designated HUBZone
- At least 35% of its employees must reside in a HUBZone

Note: Different rules apply for Tribal Governments, Alaska Native Corporations, Community Development Corporations and small agricultural cooperatives. These are delineated in Title 13 of the Code of Federal Regulations, Part 126

<https://www.sba.gov/sites/default/files/forms/HUBZone%20Program%20Certification%20for%20Applicants%20Owned%20by%20Indian%20Tribal%20Governments.pdf>

Eligibility Requirements

- At time of application for certification a HUBZone Small Business Concern must meet SBA's size standards for its primary industry classification as defined in 13 CFR --- § 121.201. (Code of Federal Regulations)
- At time of initial contract offer a HUBZone SBC must be small for the size standard corresponding to the NAICS code assigned to the contract. 13 CFR --- 126.601(b)

Eligibility Requirements

- Ownership
 - must be directly and unconditionally owned and controlled by at least 51% U.S. citizens - - - 13 CFR 126.200(b) (1)(i)
 - Citizen means a person born or naturalized in the United States. SBA does not consider holders of permanent visas and resident aliens to be citizens - - - 13 CFR 126.103
 - Person means a natural person - - - 13 CFR 126.103
- Control
 - §13 CFR 126.202 **Who does SBA consider to control a HUBZone SBC?**
 - Control means both the day-to-day management and long-term decision-making authority for the HUBZone SBC. Many persons share control of a concern, including each of those occupying the following positions: officer, director, general partner, managing partner, managing member and manager. In addition, key employees who possess expertise or responsibilities related to the concern's primary economic activity may share significant control of the concern. SBA will consider the control potential of such key employees on a case by case basis.

Eligibility Requirements

- Principal office must be located within a designated HUBZone
- *Principal office* means the location where the greatest number of the concern's employees at any one location perform their work - -
- 13 CFR 126.103
- For concerns whose “primary industry” is service or construction, the determination of principal office excludes the concern's employees who perform the majority of their work at job-site locations to fulfill specific contract obligations - - - 13 CFR 126.103

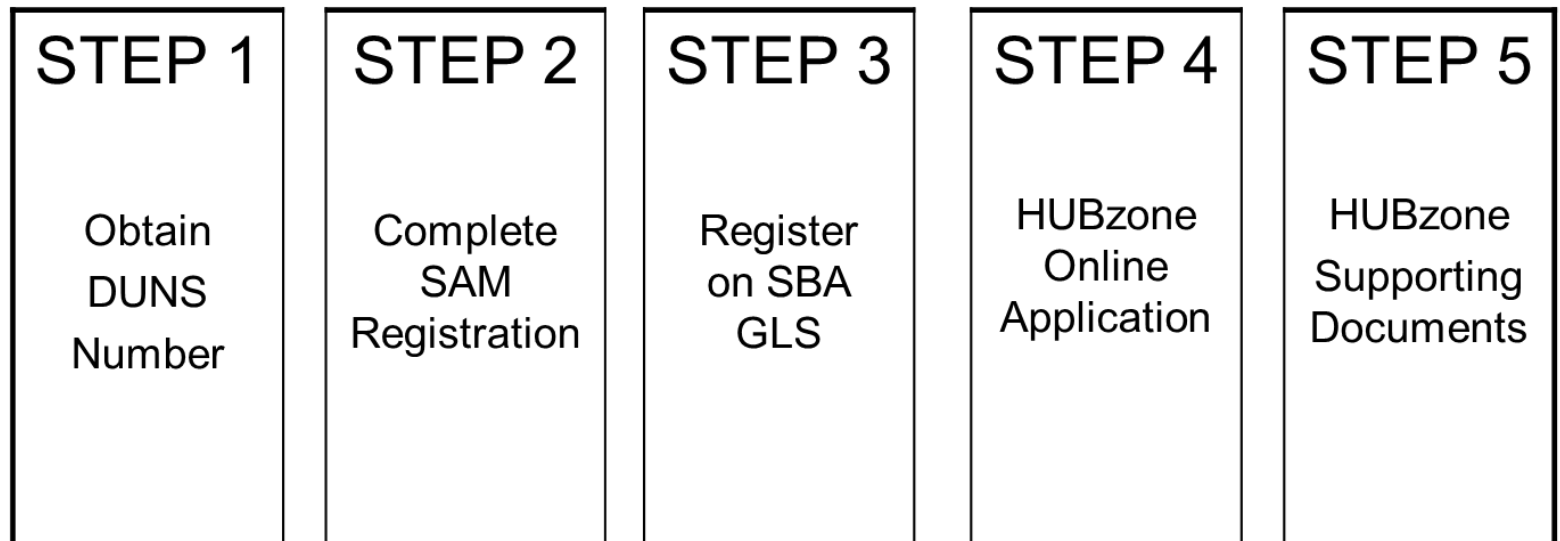
Eligibility Requirements

- –Employee means all individuals employed on a full-time, part-time, or other basis, so long as that individual works a minimum of 40 hours per month. This includes employees obtained from a temporary employee agency, leasing concern, or through a union agreement or co-employed pursuant to a professional employer organization agreement --- 13 CFR 126.103
- –Volunteers (*i.e.*, individuals who receive deferred compensation or no compensation, including no in-kind compensation, for work performed) are NOT considered employees --- 13 CFR 126.103
- –When determining the percentage of employees that reside in a HUBZone, if the percentage results in a fraction, round up to the nearest whole number --- 13 CFR 126.200
- –SBA defines *reside* means to live in a primary residence at a place for at least 180 days, or as a currently registered voter, and with intent to live there indefinitely --- 13 CFR 126.103

Things To Do BEFORE The Certification!

- DUN & BRADSTREET: Each headquarters and branch office must be registered so that it will have its own D&B ID number known as a Data Universal Numbering System (DUNS).
- System for Award Management (SAM): the firm's Employer's Identification Number/Tax Identification Number (EIN/TIN) must be registered. (NOTE- the principal office address that is applying for HUBZone certification must be entered in the SAM profile associated with DUNS appropriate for this specific physical location.).
- Dynamic Small Business Search (DSBS), aka, SBA's supplemental page: DSBS profiles will reflect each firm's certification status. It is recommended to keep your profiles (SAM and DSBS page) up to date through the SAM website. At the SAM Web site, simply update your SAM profile and SAM will update the DSBS profile. (NOTE: edit updated data transferred from SAM to DSBS usually takes up to 24 hours after you have updated the SAM profile.)
- General Login System (GLS): you must complete registration in this system for each individual that can update information to your concern. Once you have registered, then you must add the concern's DUNS and EIN number(s) and obtain access to the HUBZone application module.

The Certification Process (Overview)



The Certification Process (Overview)

1. Complete and submit the online application (time-out after 1 hour)
2. An initial e-mail will be sent that provides instruction for electronic verification – up to 10 days to provide electronic verification, in the meantime application is on-hold
3. After receiving electronic verification the application is assigned to an Analyst
4. Analyst will send request for supporting documentation(s) needed to process the application
5. Up to 10 days to submit hard copy documents
6. Submit a signed and notarized signature sheet attesting that all information and documentation are true and correct

The certification process

Supporting Documents

1. Governance Information
2. Certificate of Good Standing
3. Business Tax Return
4. Personal Tax Returns for Significant Owners (20% or more)
5. Proof of US Citizenship for Owners
6. Principal Office Documents
7. Payroll Records to Determine Total Number of Employees
8. State Unemployment Tax Filing and Federal Employment Quarterly Report
9. Employees' Residence Verification
10. Identification / Proof of Residence for HUBZone Residents
11. Certification Form

Maintaining The Certification

- <https://www.sba.gov/content/maintaining-hubzone-certification>
- 1. Notify SBA of any material change that may affect the firm's HUBZone status.
- 2. Recertify HUBZone status every 3 years. Although there is no limit to the length of time a firm may qualify as a HUBZone firm, the certification is not a lifetime certification. Every HUBZone firm must recertify every three years to SBA, indicating that it remains a "qualified" HUBZone SBC, 13 CFR § 126.500
 - The recertification to SBA must be in writing and must represent that the circumstances relative to eligibility that existed on the date of certification showing on the list have not materially changed and that the concern meets any new eligibility requirements.

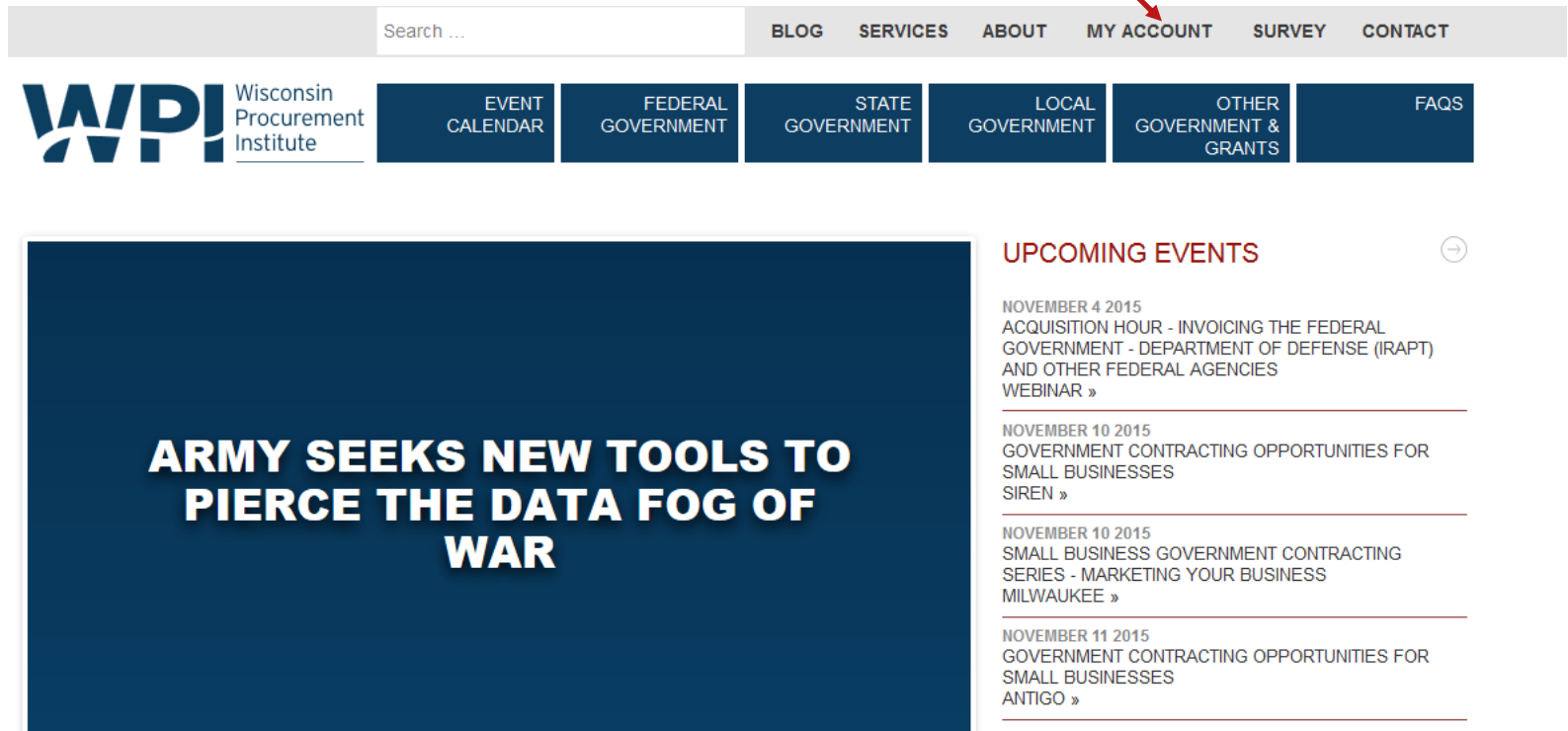
Resources

- HUBZone Certification <http://www.sba.gov/hubzone>
- HUBZone Maps <http://map.sba.gov/hubzone/maps/>
- Primer transcript:
https://www.sba.gov/sites/default/files/files/HUBZone_Primer_transcript.pdf
- Information on the Hubzone program: <https://www.sba.gov/content/applying-hubzone-program>
- FAQ: <https://www.sba.gov/content/frequently-asked-questions#certification>
- Electronic HUBZone Application
:https://eweb1sp.sba.gov/hubzone/internet/general/dsp_enter_application.cfm?null=1236867264012
- GLS Registration
https://eweb.sba.gov/gls/dsp_addcustomer.cfm?imappsystypnm=8ASDB

Upcoming WPI Events

- *Acquisition Hour Live Webinar Series (ongoing)*
- *SAME Small Business Expo – March 9 – 10, 2016 – Northbrook, IL*
- **4th Annual U.S. Department of Veterans Affairs Business Conference - May 12th 2016 - Brown Deer.**
- **10th Annual Volk Field Small Business Conference - June 15th and 16th - Camp Douglas**

Access this Presentation Online



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BLOG SERVICES ABOUT **MY ACCOUNT** SURVEY CONTACT

WPI Wisconsin Procurement Institute

EVENT CALENDAR FEDERAL GOVERNMENT STATE GOVERNMENT LOCAL GOVERNMENT OTHER GOVERNMENT & GRANTS FAQs

ARMY SEEKS NEW TOOLS TO PIERCE THE DATA FOG OF WAR

UPCOMING EVENTS

NOVEMBER 4 2015
ACQUISITION HOUR - INVOICING THE FEDERAL GOVERNMENT - DEPARTMENT OF DEFENSE (IRAPT) AND OTHER FEDERAL AGENCIES WEBINAR »

NOVEMBER 10 2015
GOVERNMENT CONTRACTING OPPORTUNITIES FOR SMALL BUSINESSES SIREN »

NOVEMBER 10 2015
SMALL BUSINESS GOVERNMENT CONTRACTING SERIES - MARKETING YOUR BUSINESS MILWAUKEE »

NOVEMBER 11 2015
GOVERNMENT CONTRACTING OPPORTUNITIES FOR SMALL BUSINESSES ANTIGO »



Questions?

Thank You!

Benjamin Blanc, CFCM CPPS – Government Contract Specialist

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