

# SBA HUBZone Program Application Process Fall 2021

Presented by:






# Shameless Commercial

- NH PTAC offers free assistance with all this & more.
- You must have a physical presence in New Hampshire.
- You have to sign up online.
- To continue “active client” status, you have to use us as a resource.



# SBA HUBZone Program

- What is a HUBZone?
  - HUBZone eligibility criteria
  - The Process to Apply
  - The Required Inputs and Documents
  - Best Practices and Things to Be Aware of
- 



# What is the SBA HUBZone Program?

- ▶ **H**istorically **U**nderutilized **B**usiness **Z**one
- ▶ 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
- ▶ At present, there are approximately 7,600 small firms certified in the HUBZone program



# HUBZone Program Benefits

The government has a goal of awarding 3% of all prime contract dollars to HUBZone firms.

Two mechanisms:

Contract set-asides and sole source awards

and

10% price evaluation preference applied only to full and open competition (only applies to the large business and not to the small business concern). Subject to option of Contracting Officer, and not seen very often unless the Agency is in need of additional HUBZone contracting dollars to meet their goal.

# Where are HUBZones Located?

Five types of HUBZones:

1. A Census Tract located within a county/state which meets the income or unemployment criteria:

A qualified census tract (as defined in section 42(d)(5)(C)(i)(I) of the Internal Revenue Code of 1986) which defines the term "a qualified census tract" as any census tract (1) which is designated by the Secretary of Housing and Urban Development (HUD), and (2) for the most recent year for which census data are available on household income in the tract, either in which 50 percent or more of the households have an income which is less than 60 percent of the AMGI for the year or which has a poverty rate of at least 25 percent.

2. A qualified "non-metropolitan county" (as defined in section 143(k)(2)(B) of the Internal Revenue Code of 1986) with a median household income of less than 80% of the state median household income or with an unemployment rate of not less than 140% of the statewide average, based on U.S. Department of Labor recent data;

# Where are HUBZones Located?

3. Lands within the boundaries of federally recognized Indian reservations (also Indian Lands)
4. Qualified Base Closure Areas (BRAC)
5. Qualified Disaster Areas

Soon to also include Governor's Designated Covered Areas

Notes -

\*When a county, tract or BRAC loses its HUBZone qualification, it is redesignated for three years.

The [official HUBZone map](#) has been frozen until June 30, 2023. It will change every 5 years thereafter.





# Will the 2020 Census Change Anything?

- ▶ BRAC-derived HUBZones: Grafton & Newington/Greenland/Portsmouth (partial) **will not qualify. Sullivan County will continue to qualify, possibly for the next 10 years (2030 census).**
- ▶ Coos County, a long-time HUBZone County, continues to qualify
- ▶ **Nothing will change until 7/1/2023. A few census tracts will lose their status at that time; Sullivan County will continue as HUBZone**
- ▶ We'll come back to this situation later, with a strategy that can work for some HUBZone companies in areas that may lose their designation





# What Firms are Eligible

- Small business (per Primary NAICS)

(At time of application for certification a firm must meet SBA's size standards for its primary NAICS code, and

At time of initial contract offer a HUBZone certified firm must be small for the size standard corresponding to the NAICS code assigned to the contract)

- Owned and controlled by at least 51% U.S. citizens or a community development corporation, an agricultural cooperative, a Native Hawaiian Organization or an Indian tribal government
- Principal office must be located within a designated HUBZone
- At least 35% of its employees must reside in a HUBZone (any HUBZone)

# Definition of Principal Office

- 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 work – that is more individuals work at the “principal office” than at any other single location
- For firms whose “primary industry” is service or construction, the determination of principal office excludes employees who perform the majority of their work at job-site locations to fulfill specific contract obligations
- FAQ Relating to Virtual Office: Virtual office would be considered to be the principal office if it is the place where the greatest number of employees perform their work, and you'll need to prove that your firm has a properly executed lease and it has employees working at the virtual office.



# Requirements Relating to Residency

- ▶ SBA currently defines “reside” as 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
- ▶ Note: Typical documentation is a drivers License or voters registration card with the “reside” address. If none available, a statement can be submitted.
- ▶ When determining the percentage of employees that reside in a HUBZone, if the percentage results in a fraction, round to the nearest whole number

# Application Process





# HUBZone Application Process Summary:

1. Contact your PTAC for assistance. Timing and completeness are critical!
2. Make sure your SAM account is current with up-to-date information that will be consistent with application
3. Create an account on SBA's General Login System (GLS) – an aged legacy system on which HUBZone is the last act
4. Collect information for the GLS HUBZone application  
[https://www.sba.gov/sites/default/files/files/HUBZone\\_Application\\_Guide.pdf](https://www.sba.gov/sites/default/files/files/HUBZone_Application_Guide.pdf)
5. Enter/Submit the electronic GLS HUBZone application
6. Verify the application – reply to email to the Key Person
7. Collect the relevant supporting documents – specific to the type of business (Corp, LLC, Sole Prop, Partnership)
8. Upload the supporting documents thru 3<sup>rd</sup> party weblink per specific instructions document

# SBA GLS USER Interface

The screenshot displays the SBA GLS User Interface. At the top, there is a blue header bar containing the SBA logo, the text "General Login System", and links for "Skip Navigation", "Accessibility Options", "Print", and "Help". Below the header, the date "April 02, 2013" is displayed. On the left side, a blue vertical menu lists several options: "Forgot User ID?", "Forgot Password?", "GLS Instructions for Banking Partners", "GLS Instructions for Small Businesses", "GLS Instructions for SBA Employees and SBA Contractors", "Request SBA User ID", and "Contact SBA Security". A callout box points to the "Request SBA User ID" link with the text "Click on Request SBA User ID." To the right, a white box titled "SBA Account Login" contains two input fields labeled "User ID" and "Password", and two buttons labeled "Login" and "Clear". Below the login box, there is a link for "Text Only".

Skip Navigation Accessibility Options  
Print Help

**SBA** General Login System

April 02, 2013

- [Forgot User ID?](#)
- [Forgot Password?](#)
- [GLS Instructions for Banking Partners](#)
- [GLS Instructions for Small Businesses](#)
- [GLS Instructions for SBA Employees and SBA Contractors](#)
- [Request SBA User ID](#)
- [Contact SBA Security](#)

Click on Request SBA User ID.

### SBA Account Login

User ID

Password

[Text Only](#)





# Steps 2, 3 & 4

- After submitting the access request, log out
- Stop there and develop the data for the application
- Download the Application Guide  
[https://www.sba.gov/sites/default/files/files/HUBZone\\_Application\\_Guide.pdf](https://www.sba.gov/sites/default/files/files/HUBZone_Application_Guide.pdf) (Follow Section 6)
- Some of the basic information on the business will be imported from SAM – thus the need to make certain that your SAM is up to date.

# Step 5 - HUBZone Electronic Application

- Log back into GLS and select HUBZone from your profile
- Select HUBZone Electronic Application from this screen



The online application must be completed/submitted in one sitting and pages have a 60 minute time limit, so you must prepare the inputs in advance.

Note – Nothing will be saved if you need to exit the program or you are logged out for time. Advice may be to log in to application and “get through it” noting items being required – then Exit, compile all the information and try it again.



# Electronic Application

- Section A – Location in Qualified HUBZone  
Verification of Principal Office location
- Section B – General Business Information  
Annual receipts, # employees (much comes from SAM)
- Section C – Ownership and Control  
Firm be at least 51% owned and controlled by U.S. Citizens  
Key “owners” must be listed
- Section D – Financial Information  
Assets, liabilities, net worth, receipts, profit
- Section E – HUBZone Employment Statement  
35% of employees must live in a HUBZone
- Section F – Affiliation  
Affiliation is when one concern controls or has the power to control the other, or a third party or parties controls or has the power to control both. Factors such as ownership, management, previous relationships with or ties to another concern, and contractual relationships
- Notice of Verification  
Person to certify the application once submitted

# Step 7 - Supporting Documents

- The GLS Electronic Application gets things started, but the supporting documents are what get you certified.
- SBA uses the *Supporting Documents* in the verification that you are in compliance with the HUBZone Program requirements
- Supporting docs must cover the time of review (EVD)
- Supporting documents are based on your ownership structure:

[https://www.sba.gov/sites/default/files/files/Supporting\\_Documentation\\_Request\\_-\\_Corporation.pdf](https://www.sba.gov/sites/default/files/files/Supporting_Documentation_Request_-_Corporation.pdf)

[https://www.sba.gov/sites/default/files/files/Supporting\\_Documentation\\_Request\\_-\\_SoleProprietorship.pdf](https://www.sba.gov/sites/default/files/files/Supporting_Documentation_Request_-_SoleProprietorship.pdf)

[https://www.sba.gov/sites/default/files/files/Supporting\\_Documentation\\_Request\\_-\\_Partnership.pdf](https://www.sba.gov/sites/default/files/files/Supporting_Documentation_Request_-_Partnership.pdf)

[https://www.sba.gov/sites/default/files/files/Supporting\\_Documentation\\_Request\\_-\\_LLC.pdf](https://www.sba.gov/sites/default/files/files/Supporting_Documentation_Request_-_LLC.pdf)



# More About Supporting Documents

## PRINCIPAL OFFICE

- Lease/Rental Agreement/Deed
- Utility Bill
- Firm Location List

## 35% HUBZONE RESIDENCY

- Payroll Records
- Identification/ Proof of Residence for HUBZone Residents
- HUBZone Map of HUBZone Residents' Addresses
- Employee List
- Contractor List (if applicable)



# And More....

## OWNERSHIP AND CONTROL

- Proof of Citizenship for firms at least 51% owned by US Citizen
- LLC Documents
- DBA (Doing Business As) Certificate.
- Articles of Organization and any amendments.
- Certificate of Organization with the Secretary of State seal.
- Operating Agreement and any amendments.
- Other key ownership documents

## SIGNATURE SHEET

- Signed & notarized HUBZone Program Certification Signature Sheet

*Note: In addition to the electronic copy, **SBA must receive the original copy of the HUBZone Program Certification Signature Sheet (Wet Signature).***

*Mail the signature sheet ONLY and select a delivery option that allows you to track the shipment:*

SBA HUBZone Program  
Mail Code 6369 409 3rd Street SW  
Washington, DC 20416





# And the Last Bit...

ATTEMPT TO MAINTAIN (ONLY FOR RECERTIFICATIONS, PROGRAM EXAMS, PROPOSED DECERTIFICATIONS AND PROTESTS)

- Evidence that firm is attempting to maintain the 35% requirement

## DOCUMENT CHECKLIST

- For each item on this page, either mark that it has been included in your upload package with a check mark or indicate that the item is not applicable to your company and provide a separate page explaining why the item is not applicable. Then sign this page and upload it with the rest of the documents.

Name (printed): \_\_\_\_\_ Signature: \_\_\_\_\_



# Uploading Supporting Documents

- To upload the supporting documentation:
  1. Go to <https://sft.sba.gov/envelope/HUBZone>. If you don't have an account, follow the guidelines by clicking "I don't have an account yet" the link is just below the Login button.
  2. Enter Recipient: [HUBZonedocuments@sba.gov](mailto:HUBZonedocuments@sba.gov), if not already auto populated
  3. Enter Subject: [application number and firm's name]
- Group the documents by the corresponding heading from the Document Checklist page and combine them into PDF files labeled with the Application Number and the appropriate heading. For an initial application, you would ideally upload five files:
  - • Application XXXXX – Principal Office.pdf
  - • Application XXXXX – 35% HUBZone Residency.pdf
  - • Application XXXXX – Ownership and Control.pdf
  - • Application XXXXX – Signature Sheet.pdf
  - • Application XXXXX – Document Checklist.pdf



# HUBZone Strategies

# “Grandfather Provisions”

- ▶ **Businesses in locations that have lost their HUBZone status may keep their HUBZone certification for up to 10 years:**
  - ▶ If they own or have a long-term (10 year) lease on their Principal Office
  - ▶ If they continue to meet the 35% employee standard.
- ▶ **If your business is no longer in a HUBzone, how do you meet the employee standard?**
  - ▶ (3) An employee who resides in a HUBZone at the time of certification (or time of recertification where the individual is being treated as a HUBZone resident for the first time) shall continue to count as a HUBZone resident employee if the individual **continues to live in the HUBZone for at least 180 days immediately after certification (or recertification)** and remains an employee of the concern, even if the employee subsequently moves to a location that is not in a HUBZone or the area in which the employee's residence is located no longer qualifies as a HUBZone. The certified HUBZone small business concern must maintain records of the employee's original HUBZone address, as well as records of the individual's continued and uninterrupted employment by the HUBZone small business concern, for the duration of the concern's participation in the HUBZone program.



To Keep HUBZone Status for Up to Ten  
Years, Get Certified/Recertified Now!





# You're Certified – Now What?

- Your HUBZone Certification provides a competitive edge – **if you use it effectively**
- Respond to Sources Sought
- Look for set-asides
- Pursue subcontracting opportunities
- Consider Teaming opportunities – Understand the Rule of Two





# Things to Do Right Away

- Update your SAM & Dynamic Small Business Search
- Add HUBZone to your capabilities statement
- Add HUBZone to your website
- Add HUBZone to your social media
- Add HUBZone to your vendor registrations
- Add HUBZone to your GSA Advantage (if you have a Schedule Contract)
- Send out an announcement
- Add to your business cards?

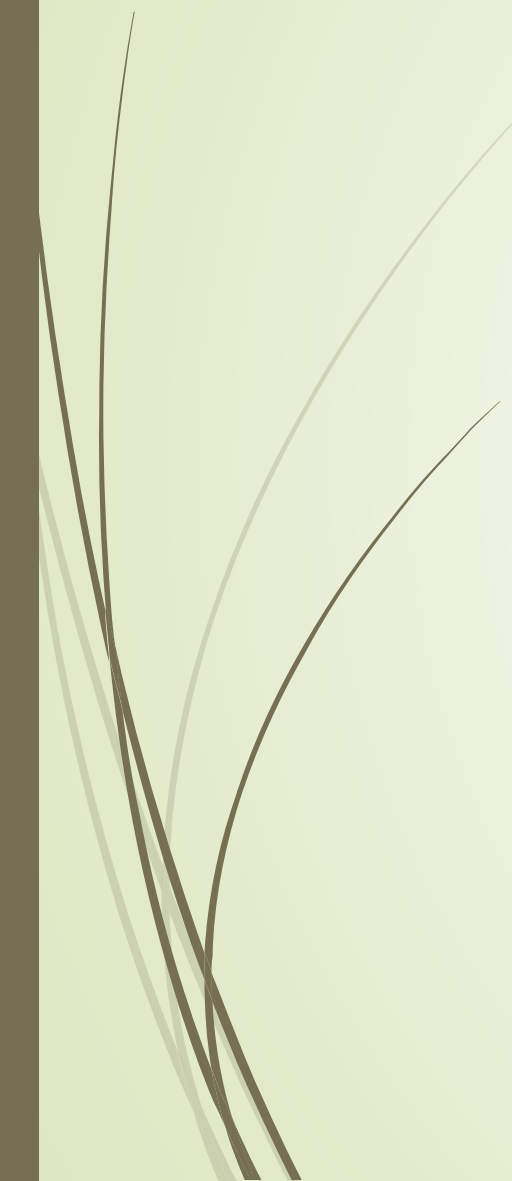


# Subcontracting Opportunities

- ▶ Prime contractors are expected to reflect Agency's goals in their Subcontracting Plan
- ▶ Written plan, submitted with their bid/proposal
- ▶ Increasing duty to follow the plan
- ▶ Required reporting on plan compliance
- ▶ Primes must make effort to achieve goals
- ▶ Help them meet their goals!



# More about Subcontracting...

- Need to establish a relationship early – before the bid
  - Must maintain the relationship
  - Be a good, reliable partner
  - Quality product/service
  - On time - no surprises
  - Be easy to work with!
- 



# Teaming



- ▶ Most solicitations will be subject to “Limitations on Subcontracting” - also called a “Self-Performance’ Requirement
- ▶ Can meet self-performance percentage via “similarly situated” teaming



# Wrapping up:

- The HUBZone advantage can be real
- It requires work-
  - Executing on the “red tape”
  - Marketing the certification
  - Developing & finding the opportunities
  - Subcontracting, Partnering and Teaming Relationships
  - Becoming a great team member
  - Becoming a sophisticated player
  - Using that sophistication to succeed
- NH PTAC can help with these

# How do I get started with NH PTAC?

- Go to the website and answer our questionnaire ([www.nheconomy.com/ptac](http://www.nheconomy.com/ptac))
- email us at: [govcontracting@livefree.nh.gov](mailto:govcontracting@livefree.nh.gov)
- Meet with us in Concord (currently via Zoom)
- Request a site visit – we'll come to you.

