



# HUBZones

## *Time to dispel the myths*

### What are they?

HUBZones are historically underutilized business zones that are located throughout the United States. The purpose of the HUBZone program is to provide federal contracting assistance for qualified Small Businesses located in historically underutilized business zones in an effort to increase employment opportunities, investment, and economic development in such areas. These areas may be part of large metropolitan communities such as downtown Washington DC or rural locations. Most designated HUBZones are in close proximity to non HUBZone jurisdictions and therefore able to recruit, hire and utilize much if not all of the same quality labor force.

### What does this mean for a small business?

Small businesses headquartered in these areas can receive an economic boost from the HUBZone contracting program in order to promote job growth, capital investment and economic development in these areas. Small businesses that wish to be certified in this program must meet stringent SBA standards, including 35% of its employees residing in a HUBZone area. The Small Business Administration has created, monitors, and measures the performance and utilization of this program and recognizes the importance to a small business. This focused attention given to the program by the SBA may be the only direct support needed by a small business in the achievement of its growth.

### Does the work have to be in a HUBZone area?

**No.** Many government agencies and prospects believe that they cannot create a HUBZone contracting opportunity unless the work performed is in a HUBZone area. This is not true. The HUBZone Small Business is required to maintain the greatest number of its employees that work at its facilities in a HUBZone office; however, that does not apply to those employees that are working on a client site (like a government complex or installation).

### Is there an advantage to using HUBZone Small Businesses?

**Absolutely!** The federal government has established a goal of 3% of all prime contract awards to be set-aside for HUBZone concerns and each department tracks this performance. But more importantly, you will find that there are many qualified and capable HUBZone firms that can meet your needs across a variety of requirements, including Professional, Scientific and Technical Services, Management and Administration, Information Technology...and yes, even Construction. Not only are you giving an opportunity to a small business, you are helping those communities and citizens that are most vulnerable to economic hardships. The HUBZone small business is delivering a solution that meets the customer's need and together, the government customer and the HUBZone small business are creating a partnership that offers opportunity to our communities.

### What HUBZone capabilities are available?

Many HUBZone companies do focus on construction and maintenance capabilities, but in recent years, more and more IT services companies have emerged. This provides an excellent opportunity for government agencies to access HUBZone capabilities and receive credit in meeting their IT needs. Additionally, this provides workers in these HUBZone areas opportunities to advance their careers.