

# HUBZONE PROGRAM

The Historically Underutilized Business Zone (HUBZone) Act of 1997 (15U.S.C. 631 note) created the HUBZone Program. The purpose is to provide Federal contracting assistance for qualified small business concerns located in historically underutilized business zones in an effort to increase employment opportunities, investment and economic development in those areas. It is estimated that in five years the pool of available contracts will grow to around \$6 billion annually. The increased contracting available to HUBZone firms is expected to create several thousand new jobs in the first year as well as promote private-sector investment. The new workers will be employed by qualified small businesses located in HUBZones, which are areas of generally low income and high unemployment.

HUBZones are located in more than 7,000 urban census tracts, in 900 mostly rural counties and on every federally recognized Native American reservation. Census tracts are areas that range in population from 2,000 to 8,000 persons. In order to qualify as a HUBZone firm, a small business must have its principle office located in a HUBZone and at least 35% of its employees must reside in a HUBZone. The firm must also be completely owned and controlled by U.S. citizens. Contracts reserved for HUBZone firms can be awarded through competition limited to qualified HUBZone firms or on a sole-source basis. Another option allows contracting officers to give HUBZone firms a price preference in bidding open to non-HUBZone firms.

Additionally information on the program elements and how to register are available at the SBA interactive Internet web page <http://www.sba.gov/hubzone> that identifies HUBZones by state, county and specific address. Procedures for implementation of the program can be found in Part 19.13 of the Federal Acquisition Regulations.