

Linc Research, Inc.
HUBZone Certification Retention
June 30, 2016



Retention of Certified HUBZone Business Status

The HUBZone Business – is it about the HUBZone or the Business

- EXAMPLE - We desire to be partners in the restoration of circumstantially disadvantaged communities and the people that reside there
 - Our HQ is in the Lincoln Village area of downtown Huntsville and is a SBA certified HUBZone area
 - We have participated in restoring basic conditions conducive to revitalization; e.g., school support, rebuilding of homes, family support and legal/medical services. We have best practices that can be transferred to other communities where we work
 - The final step in restoring a neighborhood is bringing back reasonable job opportunities reflective of the community as a whole. In Huntsville that means High-Tech Federal and Commercial support by personnel with technical, strategic, R&D, business and programmatic related skills
 - We are also designing benefits that allow us to address issues such as hiring and retaining necessary HZ population; e.g.: HUBZone targeted Career Expo called Workforce NOW!, loans to escape Payday/Title lending, providing benefits at the lowest level possible; community initiatives to improve our employees immediate living area; etc.
- Just as important, you, the Prime, need to determine how important the HUBZone mission is to you? Not how important it is that you meet goals but how important is the HUBZone to you

Retention of HUBZone Status

The 35% HUBZone Resident Requirement

- The strategically positioned HZ company will have greater than 35% HZ employees at almost all times. Best ratios are the ones that allow the HZ to lose a couple of HZ employees and still be at 35% (~50% or more)
- The HZ company will have a HZ talent pipeline and you should ask the company to explain how that works
- Outreach and more outreach
 - Partner with 501(c)(3)s and ministries to the HZ community
 - Look at surrounding counties
 - Look at Universities
- You as a Prime need to decide how you can help the HZ company stay propped up if they look like they are going to fall under

Retention of HUBZone Status

For the Prime

- HZ companies are out there and can do technical work
 - Over 4,000 HUBZone companies
 - Almost 1000 with 541330 NAICS Code
- HZ companies can be found
 - Many matchmaking events around the country, sponsor one in your local major metro area
 - Help sponsor groups such as WfN! or HUBZone advocacy groups

For the Government

- The government customer needs to insist on technical set-asides for HZ
 - Reviewed HZ set-asides on FedBizOps on 6/29
 - 250 HZ set-aside actions across every Federal Agency
 - 1 was 541330
 - 0 were 541712

Maintaining HUBZone Certification – best practices

1. Follow the regulatory requirements

- Notify SBA of any material change that may affect the firm’s HUBZone status.**
 - a. Change in the firm’s ownership
 - b. Change in the firm’s business structure
 - c. Change in the firm’s principal office
 - d. Change in the firm’s 35% HUBZone residency status

- 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
 - **NOTE: SBA initiates the recertification action 30 days before the 3rd year anniversary.**

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Maintaining HUBZone Certification – best practices (cont'd)

2. Incorporate maintaining HUBZone certification into the business plan.

- Assign someone in the firm to monitor and document compliance
- Keep HUBZone employee percentage higher than 35%. This is risky. Have some cushion, say, around 60% or more.
- Maintain a list of potential hires in case one of your HUBZone residents quits. This way you do not have to fall out of compliance and risk decertification.
- Watch the HUBZone map for changes; sign up for email alerts at [Subscribe to HUBZone News](#). If the principal office is in an area that is redesignated, the firm has 3 years to come up with another way to meet the PO requirement.
- Create a “protest file” when bidding on a HUBZone solicitation to ensure the proper evidence is at hand to prove compliance in the event of a HUBZone status protest.

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THANK YOU!

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