

Notice on Expiration of Redesignated HUBZones on October 1, 2011

Dear HUBZone Small Business,

Important, statutorily mandated changes will occur beginning October 1, 2011 that may affect your small business' eligibility for the HUBZone program. SBA is committed to helping all current HUBZone firms during this transition. If you need additional assistance after reading the questions and answers below, please call the HUBZone help desk at (202) 205-8885, or email at HUBZone@SBA.gov

Q and A's

Q How might your firm be impacted by the expiration of redesignated HUBZones on October 1, 2011?

A Your firm might be impacted if your principal office is located in, or your employees reside in, an expiring redesignated area. Your HUBZone small business is on the [list of HUBZone certified concerns](#) and as such we want to remind you that major changes take effect on October 1, 2011 that [may affect your firm's eligibility](#). Specifically, certain redesignated HUBZones are due to expire on the date on which the Census Bureau publicly releases the first results from the 2010 decennial census. These areas are expiring, effective October 1, 2011. The redesignated HUBZones that are expiring are those that were provided an extended "grandfathering" period by Congress in 2004 until the date the Census Bureau releases the first results of the 2010 census.

Q How do you know if a principal office or employee residency address is in a redesignated HUBZone that is about to expire on October 1, 2011?

A Go to the [HUBZone locator](#) and check the address. If the map result shows that the address will be qualified "at least until June 1, 2011" then the address is in a HUBZone due to expire on October 1, 2011. (The SBA originally projected the U.S. census data release date to be June 1, 2011 and this date still appears in the HUBZone locator.)

Q What will SBA do on October 1, 2011?

A On or after October 1, 2011, all certified HUBZone small businesses whose principal office is located in a redesignated HUBZone that has expired will be proposed for decertification. The certified HUBZone small business will have 30 days to respond to the proposed decertification letter.

Q What do you do in the meantime?

A Conduct an eligibility self-evaluation to see if on October 1, 2011 any of the HUBZone addresses that affect your eligibility (i.e., principal office address and addresses of employees who reside in a HUBZone) will no longer be HUBZone. Go to the [HUBZone locator](#) and search all the applicable addresses. If your principal office will remain in a qualified HUBZone and 35% or more of your employees will reside in a qualified HUBZone on or after October 1, 2011, your firm will continue to be qualified.

Q What do you do if you see that, effective October 1, 2011, your firm will not meet the 35% HUBZone residency and/or the principal office requirement(s)?

A You may submit a completed [voluntary decertification agreement](#). Otherwise, if your principal office is located in a redesignated HUBZone due to expire, you will receive a proposed decertification

letter on or after October 1, 2011. In addition, you are required to notify SBA if less than 35% of your employees reside in a HUBZone.

Q How long do you have to wait to reapply if your firm is decertified?

A You must wait 90 days from the date of the voluntary decertification agreement or decertification from the program to reapply for certification into the program. Note that you must meet all the HUBZone eligibility requirements at the time of reapplication to become certified. See [13 C.F.R. § 126.309](#) for more information.

Q What happens to your current HUBZone contracts if you voluntarily decertify?

A If you are currently working on a HUBZone contract, you may continue to work on the contract.

Q Can an option on a HUBZone contract be exercised?

A In general, the contracting officer may exercise an option if funds are available, it fulfills an existing Government need, and exercising the option is the most advantageous method of fulfilling the Government's need (price and other factors considered) See [FAR subpart 17.2](#) for more information.

Q Can you submit an offer before October 1, 2011?

A You must consider how this expiration impacts your offers or awards on HUBZone contracts. A firm must be qualified both at the time of its initial offer and at the time of award in order to be eligible for a HUBZone contract. If you are an offeror for a HUBZone contract, you would be required to notify the Contracting Officer if your principal office is no longer in a HUBZone or if you no longer meet the 35% HUBZone residency requirement. See FAR clause [51.219-3, "Notice of Total HUBZone Set-Aside or Sole Source Award"](#) and [52.219-4, "Notice of Price Evaluation for HUBZone Small Business Concerns"](#) and [13 C.F.R. § 126.501](#) for more information.

Q What else should you know?

A You should know that any HUBZone firm found to misrepresent itself during its HUBZone Program participation or on a Federal contract could be subject to a range of civil or criminal penalties and/or suspension or debarment from Federal contracting.

Q Do you need more help?

A Please review the important [definitions and eligibility criteria relating to the Program](#). You can also call the HUBZone Help Desk at (202) 205-8885, or email at HUBZone@SBA.gov