



SAP&DC



## Progress Through Regional Cooperation In The Alleghenies

Issue No.  
10-17

### PA Service Industry Day October 18, 2017 from 8 AM to 2 PM

The Southern Alleghenies PTAC is pleased to partner with the SEDA-COG PTAC on this event at the Park Inn Radisson - Harrisburg West. Cost is \$30/person and includes continental breakfast and lunch.

The Office of Small Business Programs, Department of the Army's vision is to be the premier advocacy organization committed to maximizing small business opportunities in support of the Warfighter and the institutional transformation of the Army.

Their goal is to establish the Army as the premier organization for the promotion of and assistance to all small businesses. Industry Day is designed to provide small business service companies the opportunity to understand how to do business with the US Army and support the mission of the Letterkenny Army Depot and Tobyhanna Army Depot.

**Attendees are highly encouraged to register as a vendor in the System for Award Management (SAM) system and develop a company capabilities statement prior to attending the event.** For more information, contact Robert Brown at 570-522-7224 or [rbrown@seda-cog.org](mailto:rbrown@seda-cog.org).

Park Inn Radisson - Harrisburg West address:  
5401 Carlisle Pike, Mechanicsburg, PA 17050

[Register Here](#)

*This event is similar to the Construction Industry Day presented in November 2016.*

### In This Issue

[Upcoming Event](#)

[HUBZone Personal](#)

[Legislation for HUBZones](#)

[Buyers Should Consider Quality](#)

[About Us](#)

## So, What's Up With All These HUBZones?

By James F. Gerraughty, MBA, CPP, PTAC Program Manager



I've been working in this PTAC for almost 5 years. In that time, I've seen our region's Historically Underutilized Business Zones (HUBZones) go from being county-wide to census tracts to going away entirely, then back to county-wide swaths in our 15-county region alone. What is going on with all these fluctuations, and, more importantly, how can it affect your government contracting business?

Some background and history: The Small Business Administration's (SBA) Historically Underutilized Business Zone (HUBZone) program incentivizes small businesses to base their headquarters in and hire employees from communities with high unemployment and low median incomes. This program stands out as the only socio-economic program that was geography-based. Others, like Minority/8(a), Veteran-Owned, or Woman Owned Small Business certification, are all based on a characteristic of the applicant. The HUBZone program was set up in 1997.

There is an application and review process through the SBA. To be in the program, a company must 1) be in a HUBZone and 2) hire at least 35% of its workforce from a HUBZone. The HUBZone process has been known to take around 6 months. With this new focus (literally, August 2017), I'm not sure if this timeframe for approval will change. Why did the program add so many counties in our area? They simply changed the way they measured their median incomes. Prior to this year, SBA compared a county's median income with the state's median income (specifically, the county's median income had to be 80% or less of the state's median income). Sounds pretty straightforward, right? Except, what if your business is in a rural county, and you're comparing more populous regions of the state that have 1) larger numbers of people, and 2) income levels that skew towards the lower-end of the distribution? This was a challenge, and led to several HUBZone counties being removed from our area.

Starting earlier this year, the SBA changed the measurement to do more of an apples-to-apples comparison. Now, rural counties (technically known as "Qualified Non-Metropolitan Counties," or QNMC for short) are compared to the state's Non-Metropolitan Median Household income (again, the county median household income must be 80% or less of that). This would explain how our region has 7 counties that are considered HUBZone (Cameron, Clearfield, Huntingdon, Jefferson, Potter, Sullivan, Tioga). The counties of Blair, Elk, and McKean have HUBZones in census tracts only.

How does this change in HUBZones affect your business? From a state contracting standpoint, not much. Pennsylvania and other states don't have a corresponding disadvantaged business status like they do for 8(a), SD/VOSB or ED/WOSB firms. Federal contracting and subcontracting is a different animal. If your company qualifies as a HUBZone (principal office location in a HUBZone and 35% of your staff reside in a HUBZone), there are HUBZone set-aside contracts and small business subcontracting goals that can be advantageous to your company.

The best strategy would be to contact your local PTAC, and have them research whether your company is indeed qualified and, if it is, look up any contracts with your company's NAICS or FSC/PSC codes in them. This service is at no charge to you, and PTACs are here to help!

## **New legislation looks to revitalize lagging SBA HUBZone program, underdeveloped communities**

By David Thornton

Lawmakers have been searching for answers to bolster a small business program designed to focus on economically disadvantaged communities, and vendors are saying their most recent effort goes a long way toward solving some of its biggest problems.

The Small Business Administration's Historically Underutilized Business Zone (HUBZone) program incentivizes small businesses to base their headquarters in and hire employees from communities with high unemployment and low median incomes. The government has never reached its goal of awarding 3 percent of its contracts to HUBZone-certified businesses. SBA reports it came closest within the last decade in 2009 with 2.81 percent, but that number has steadily dropped to a low of 1.67 percent in 2016.

"Program participation dropped immensely after the release of the 2010 Census data," said House Small Business Committee Ranking Member Nydia Velazquez (D-N.Y.) during a Sept. 13 hearing on the HUBZone Unification and Business Stability Act of 2017. "Nearly 90 percent of HUBZones do not have a single certified firm."

One of the main reasons behind this is the way [KEEP READING](#)

*[Note: Starting in August of this year, new HUBZone areas have emerged in the Southern Alleghenies, North Central, and Northern Tier PTACs' service areas. If you have questions about the HUBZone program, please don't hesitate to contact us.]*

(Accessed 09/25/2017)

## **House Panel Moves Bill Urging Federal Buyers to Consider Quality, Not Just Cost**

by Joseph Marks

The number of federal contracts that use the lowest-priced bid as their major deciding factor would be substantially limited under legislation forwarded by House Oversight lawmakers Wednesday.

The Promoting Value Based Procurement Act would discourage agencies from relying on "lowest price technically acceptable" contracts unless the contracting officer has demonstrated that non-price factors, such as a company's expertise or the quality of particular technology, are unlikely to make a big difference.

The bill would also require a government auditor to report each time agencies pick a contractor based primarily on cost and why the agency chose to do so for the next three years. That provision would apply to contracts valued over \$5 million.

Similar provisions were approved for military and defense contracts in the most recent version of a major defense policy bill.

Contractors have long complained that lowest-price contracts limit their ability to offer the

good or service that would be most beneficial to the government.

The use of such contracts [READ MORE](#)

(Accessed 09/25/2017)

## About Us

The PTAC at SAP&DC is an economic development entity that bridges the gap between supplier and buyer in the government marketplace. The PTAC stands ready to support businesses in the Alleghenies region in their pursuit to secure contracts with local, state and/or federal government agencies nationwide by:



- Identifying niche government markets and specific contract opportunities
- Assisting with bid and proposal preparation
- Preparing the required vendor registrations
- Navigating your company through the requirements and procedures of government contracting
- Enhancing competition by obtaining applicable socio-economic certifications
- Providing guidance to ensure successful post-award contract performance

**Due to the generous support of our Commonwealth and Federal funding partners, services provided by the PTAC are free of charge.**

Whether you are an experienced contractor or new to the government marketplace, the PTAC will provide one-on-one counseling utilizing the following program resources to increase your share of contract awards.

## PTAC Resources

- Electronic Bid Matching for products and services
- Military/Commercial specifications and standards
- Past procurement information and pricing histories
- State and Federal regulations guidance
- Professional training and outreach events
- Quality assurance and packaging guidance

Contact us today at The PTAC at SAP&DC to get started!  
[Read more](#)

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SAP&DC, Contact James Gerraughty, Government Procurement Program Manager, 814-949-6528, 3 Sheraton Drive, Altoona, PA 16601

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