



2020 HUBZone Council Advocacy Team Action Report

Response to Coronavirus

Due to our longstanding relationships with both the Senate and House Committees as well as the Small Business Administration (SBA), the Council continues to have a direct impact on relief for small businesses in response to COVID-19.

HUBZone Program Flexibilities in Response to COVID-19

- Initiated discussions with SBA/sent letter about flexibilities for HUBZone companies as a result of COVID-19 that led to the following flexibilities:
 - Suspension of mandatory annual recertification requirement
 - Flexibility related to the “legacy” HUBZone employee rule for employees placed in unpaid status
 - Flexibility related to the 35% HUBZone residency requirement for employees affected by student housing closures
 - Expedited certification for firms intending to bid on COVID-19-related solicitations
 - Flexibility related to the principal office requirement for teleworking employees
- Secured extension of the expedited certification and flexibility related to principal office requirement until March 31, 2021
- Continued efforts with SBA on further extensions or additional needs for companies moving forward

Paycheck Protection Program (PPP)/ Economic Injury Disaster Loan (EIDL) Grants

- Direct and ongoing input in Congress on program and shaping changes moving forward including expansion of eligible expenses for forgiveness and eligibility of PEOs
- Advocated for repeal the Paycheck Protection Program’s (PPP) 75%-25% rule, extend the eight-week period for purposes of calculating loan forgiveness, and extending the June 30 safe harbor date for rehiring and restoration of pay in second COVID relief bill
- Council is part of a PPP Forgiveness Coalition pushing for forgiveness for all loans under \$150K/streamlined process
 - S. 4117/H.R. 7777 - Paycheck Protection Small Business Forgiveness Act, included in next coronavirus relief bill draft

Section 3610

- Council advocated for and helped secure provision in CARES Act
- Worked with Congress/federal agencies on changes to get expansion and more defined provision into continuing resolution
- Submitted comments to DoD on their 3610 Draft Guidance – feedback incorporated into final documents



Other COVID-19 Related Items

- Spearheaded a Senate letter on additional policy asks for small business relief at beginning of the pandemic Economic Injury Disaster Loan (EIDL) grants – continue to work with Congress and helped get relief included in CARES Act
- Supported *Small Business PPE Tax Credit Act*
- Supported prompt payment provision in relief bill that implemented 15 day payment terms

Advocacy Activity Areas (Non COVID-19 Related)

Shaping GSA’s New Small Business Governmentwide Acquisition Contract (GWAC)

- Meeting with General Services Administration (GSA) staff responsible for putting together the next small business GWAC (Polaris) and how to best shape for HUBZone company participation - **secure hubzone track**
- Ongoing dialogue with GSA on vehicle formation

Cybersecurity: DoD’s Cybersecurity Maturity Model Certification (CMMC) / Section 889 Implementation

- Raising awareness and holding ongoing discussions with staff in House/Senate regarding implications for small businesses
- Connected Congressional staff with Council members to share experiences
- Attended DoD public meeting
- Built awareness among Council member companies with panel at virtual summit
- Drafted with Senate and got **provision included in FY2021 NDAA**, Section 1742: *Department of Defense Cyber Hygiene and Cybersecurity Maturity Model Certification Framework*, to provide oversight to the implementation of CMMC and clarity for issues surrounding small business certification

HUBZone Office of Hearings and Appeals (OHA) Bill

- Shaped House legislation, H.R. 8229, “Parity for HUBZone Appeals Act of 2020”
- Bill requires the Small Business Administration (SBA) to authorize its OHA to decide all appeals from formal protest determinations in connection with the status of a HUBZone small business
- Passed House and looking for legislative vehicle to move the bill

Sole Source Changes for HUBZone Program

- Continued advocacy with the Senate Small Business Committee to pass contracting provisions in SBA Reauthorization bill (last year the Council testified and suggestions incorporated) which included raising the sole source threshold and eliminating barriers to usage of sole source contracts. 7 items as a result of Council testimony before the Senate included in the Chairman’s mark of the bill.
- Signed onto community letter led by Council advocacy team with over 500 signatures supporting amendments to make changes, including many HUBZone companies
- Supported **provision included in the FY2021 NDAA**, Section 864: *Maximum Award Price for Sole Source Contracts*, which raises the manufacturing sole source threshold limits for the WOSB and SDVOSB programs from \$6.5 million to \$7 million, bringing parity to the HUBZone and individually-owned 8(a) limits.



Prompt Payment

- Secured provision in coronavirus relief bill implementing accelerated 15 day payment terms on all contracts vs. typical 30 day
- **Provision included in final FY2021 NDAA**, Section 815: *Prompt Payment of Contractors*—keeps the established accelerated payment date goal of 15 days after receipt of proper invoice, but strikes the current language that this goal is only in effect “if a specific date is not established by contract.” Contracting officers often used this language to not adhere to the payment goal.

Subcontracting

- Working with Congress on legislative actions that would spur greater subcontracting plan compliance – House bill being drafted
- Incorporation of the Council’s suggestions in Congressional testimony in 2019 remain in Senate SBA Reauthorization bill draft
- RISE Act flexibilities

Category Management

- Led the effort on this issue in the small business contracting community
- **Provision included in final FY2021 NDAA**, Section 871: *Category Management Training*
 - Within 8 months of when the bill is signed into law, the SBA Administrator and Administrator of the Office of Federal Procurement Policy (OFPP) must develop a training curriculum on category management for federal procurement staff. This training must include best practices for working with small businesses and how to avoid conflicts with existing small business requirements. The OSDDBU offices can be requested to assist with the facilitation of the training at their agency. The curriculum must also be submitted to the House and Senate Small Business Committees once developed.
- Advocated for provision into House version of FY2021 NDAA that exempts contracts awarded to 8(a), WOSB, HUBZone and SDVOSBs that are categorized as tier 0 from category management (was not included in final)
- Working with Congress and federal agencies to find solutions to combat problems that have arisen out of category management for HUBZone companies

Support for Companies Transitioning From Small to Midsize

- Council supported the Runway Extension Act both legislatively and the regulatory process. The Council wrote comments in support during SBA’s public comment process. The law was officially implemented on January 6, 2020
- Supported **provision included in final FY2021 NDAA** bill that increases the employee-based NAICS average from 12 months to 24 months (*Section 863: Employment Size Standard Requirements for Small Business Concerns*)

Appropriations

- Appropriations – Requested \$5 million for HUBZone program – final amount to be determined by Omnibus legislation - **ended up being \$3 million**