

Contract with Historically Underutilized Businesses (HUB)

Responsible Officer: Chief Financial Officer and Vice President

Sponsoring Department: Procurement Services

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Errors or changes to: aim@uta.edu

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PROCEDURE OBJECTIVE

Procedure 4-28 provides a description of responsibilities and procedures that support The University of Texas System Policy on HUBs, UTS137 Historically Underutilized Business (HUB) Program, UT Arlington's Strategic Plan and UT Arlington's HUB Plan. Procedure 4-28 complements related UT Arlington procedures.

RATIONALE

Texas Government Code Title 10 Chapter 2161 encourages all state agencies to make a good faith effort to increase purchases and contract awards to certified Historically Underutilized Businesses (HUBs). It is the policy of The University of Texas System and The University of Texas at Arlington to maximize opportunities for HUB firms to provide materials, supplies, equipment, and services needed to support the mission of the University and its administrative and logistical operations. U.T. Arlington commits to a good faith effort to increase the number and value of business transactions with HUB firms consistent with the State's functional goal to build a solid foundation for social and economic prosperity.

SCOPE

This procedure applies to all UT Arlington department heads authorized to make purchases and award contracts and all employees participating in the administration and maintenance of the HUB program.

WEBSITE ADDRESS FOR THIS PROCEDURE

<http://www.uta.edu/policy/procedure/4-28>

RELATED STATUTES, POLICIES, REQUIREMENTS OR STANDARDS

UT System Administration Policies and Standards	Other Policies and Standards
UTS137, Historically Underutilized Business (HUB) Program Regents' Rules and Regulations, Rule 20901, Procurement of Certain Goods and Services Regents' Rules and Regulations, Rule 20701, Use of Historically Underutilized Businesses	Texas Administrative Code, Title 34, Part 1, Chapter 20, Subchapter B, Historically Underutilized Business Program Texas Government Code, Title 10, Chapter 2161, Historically Underutilized Businesses

CONTACTS

If you have any questions about this procedure, contact the following departments:

Subject	Office Name	Telephone Number	Email/URL
All topics in Procedure	HUB Program Coordinator	817-272-2039	procurement@uta.edu
Website access	Administrative Information Management	817-272-0222	aim@uta.edu http://www.uta.edu/aim

DEFINITIONS

Centralized Master Bidders List (CMBL): The CMBL is a master database used by State of Texas purchasing entities to develop a mailing list for vendors to receive bids based on the products or services they can provide. Manufacturers, suppliers, and other vendors wishing to furnish materials, equipment, supplies, and services to the State should register for the CMBL to receive bidding opportunities.

Economically Disadvantaged Groups:

- "Black Americans," including persons having origins in any of the Black racial groups of Africa
- "Hispanic Americans", including persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish or Portuguese culture or origin, regardless of race

- "Asian Pacific Americans", including persons whose origins are from Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U.S. Trust Territories of the Pacific, the Northern Marianas, and Subcontinent Asian Americans which includes persons with origins from India, Pakistan, Bangladesh, Sri Lanka, Bhutan or Nepal
- "Native Americans", including persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians
- "American Women", including women of any ethnicity except for those previously listed
- "Service Disabled Veteran", a veteran with a service-connected disability, and a disability rating of 20 percent or more, and does not include members of any of the HUB eligible groups specified above.

Historically Underutilized Business (HUB): a business enterprise that has its principal place of business in Texas, is defined as a form of historically underutilized business formed for the purpose of making a profit, and is owned by one of more persons who:

- Are members of certain economically disadvantaged groups and who have suffered the effects of discriminatory practices or similar insidious circumstances over which they have no control, and
- Have a proportionate interest and demonstrate active participation in the control, operation, and management of the enterprise's affairs. Forms of HUBs include:
 - A corporation in which at least 51% of all classes of the shares of stock or other equitable securities are owned by one or more persons belonging to an economically disadvantaged group
 - a sole proprietorship that is 100% owned by a person belonging to an economically disadvantaged group
 - a partnership in which at least 51% of the assets and interests in the partnership is owned by one or more persons belonging to an economically disadvantaged group
 - a joint venture in which each entity in the joint venture is an historically underutilized business
 - a supplier contract between an historically underutilized business and a prime contractor under which the historically underutilized business is directly involved in the manufacture or distribution of the supplies or materials or otherwise warehouses and ships the supplies
 - a business, other than described previously in this definition, which is a legally recognized business organization under the laws of the State of Texas, provided that at least 51% of the assets and interest and 51% of any classes of stock and equitable securities are owned by one or more persons belonging to an economically disadvantaged group.

HUB Certification: A statewide HUB Program providing free certification, valid for 4 years, for minority and woman-owned businesses in the State of Texas. Vendors seeking certification as a HUB are required to submit a completed HUB certification application and supporting documentation affirming that their business qualifies as a HUB. Certified businesses are listed on the State Comptroller's web-based HUB directory, which is accessed by state agencies to solicit bids.

Staff Coordinating Group (SCG): a committee established and chaired by the Chief Business Officer and meeting regularly. The purpose of the SCG is to provide functional staff expertise, advice, and counsel regarding implementation of all aspects of the HUB program.

Texas Procurement and Support Services (TPASS): TPASS (Texas Procurement and Support Services): awards and manages hundreds of statewide contracts on behalf of more than 200 state agencies and 1,700 local government agencies.

RESPONSIBILITIES

The President of UT Arlington

- Implements policies and procedures supporting the HUB program

The Chief Financial Officer and Vice President

- Chairs the Staff Coordinating Group (SCG)

Department Heads

- Ensures compliance with procedures that support the HUB program

Procurement Services

- Prepares, publishes, and distributes information about procurement procedures that support HUB policies

Facilities Management

- Communicates the goal, objectives, and procedures of the HUB program to those who bid on construction and professional architecture projects

The HUB Coordinator

- Coordinates and monitors the UT Arlington HUB program and represents UT Arlington at events organized to support HUBs

Staff Coordinating Group (SCG)

- Provides functional staff expertise, advice, and counsel regarding implementation of HUB-related procedures as needed by UT Arlington department heads

PROCEDURES

Section I. The HUB Outreach Program

The purpose of UT Arlington's Outreach Program is to provide continuous liaison with the Dallas/Fort Worth metroplex and statewide HUB business community.

- A. The HUB Coordinator attends and makes presentations regarding UT Arlington's purchasing procedures to area minority Chambers of Commerce and other related organizations.
- B. The HUB Coordinator sets up interface meetings between HUB firms and applicable UT Arlington departmental personnel to facilitate implementation of essential HUB program functions.
- C. Procurement Services periodically surveys HUB firms in the vendor file to determine the effectiveness of the HUB program and obtains suggestions for improvement.
- D. UT Arlington periodically sponsors economic opportunity forums to better acquaint metroplex HUB firms with UT Arlington procurement procedures, Texas Procurement and Support Services (TPASS), HUB certification, and other related purchasing matters.
- E. Procurement Services informs the HUB vendor community of the benefits of registration on the Centralized Master Bidders List.

Section II. The HUB Inreach Program

The purpose of UT Arlington's Inreach Program is to educate and provide functional staff expertise to operating division heads who exercise budget expenditure authority and to the employees reporting to those division heads.

- A. The HUB Coordinator conducts staff assistance visits to departments to facilitate the maximizing of purchases from HUB firms.
- B. Procurement Services provides orientation briefings on the HUB Program as needed.

Section III. Procurement Practices Supporting the HUB Program

- A. Procurement Services staff promote HUBs with these procurement practices:
 - 1. Give preference, among bids or other proposals that are otherwise comparable, to the bid or other proposal by a TPASS-certified HUB firm having its home office located in this state whenever consistent with state and federal laws and TPASS regulations.
 - 2. Purchase goods and services not requiring bids from available HUB firms when feasible.

3. Ensure that qualified HUB firms are afforded the opportunity to bid on requirements for non-capital goods and equipment requiring bids.
 4. Maximize the utilization of qualified and available HUB firms for consulting contracts, when feasible, since competitive bidding is not required.
 5. Review contracts with an expected value of \$100,000 or more for subcontracting opportunities. If subcontracting opportunities exist, require a HUB Subcontracting Plan (HSP) be submitted with response to solicitation.
- B. Office of Facilities Management staff promote HUBs with these procurement practices:
1. Communicate the goal, objectives and procedures of the HUB program to all contractors, subcontractors, and material suppliers invited to bid on construction projects.
 2. Communicate the goal, objectives and procedures of the HUB program in requests for proposals to professional architectural engineering firms.
 3. Utilize available HUB firms for professional architectural and engineering services when feasible.
 4. Review contracts with an expected value of \$100,000 or more for subcontracting opportunities. If subcontracting opportunities exist, a HUB Subcontracting Plan will be required in the contractor's response to solicitation.
- C. UT Arlington departments promote HUB staff with these procurement practices:
1. Obtain information on the TPASS Centralized Master Bidders List - HUB Directory Search website at <https://mycpa.cpa.state.tx.us/tpasscmlsearch/index.jsp> to identify the HUBs that can provide the products and services needed.
 - a. Information on the "example" line under the selection boxes provides assistance in identifying the correct class and item code. "Item" or class" can be selected.
 - b. Selecting the product/service classes and item codes in the selection boxes "HUBs on CMBL" or "HUBs not on CMBL" displays a list of HUBs to review.
 2. Contact the HUB Coordinator at extension 2-2039 for assistance if the category needed is not listed on the HUB program website, or if help is needed in navigating the website or obtaining a list of HUB.

Section IV. HUB Utilization Reporting

Procurement Services maintains the HUB utilization reporting system to satisfy internal, external, and supplemental reporting requirements. In addition to reports provided for the University of Texas System and TPASS, reports are also generated for the purpose of monitoring departmental performance.

- A. Internal reporting includes:
 - 1. Compilation of information on a monthly basis related to the use of HUB firms, subcontractors and suppliers
 - 2. Data by operating division
 - 3. Projections of contract awards and contract award values expected to be made for the fiscal year, to be submitted by the 60th day of that fiscal year
 - 4. Individual buyer performance as it relates to institutional HUB Program goals and objectives. These data are reviewed monthly and additional training is provided when necessary.
- B. External reporting includes:
 - 1. Compliance report to be submitted with the Legislative Appropriations Request
 - 2. Annual and semi-annual reports on expenditures on reportable object codes
- C. Supplemental reporting is provided as required

Section V. The HUB Mentor-Protégé Program

The Mentor-Protégé program is coordinated by Procurement Services. The program builds effective long-term working relationships between established businesses and newly formed minority and/or woman-owned businesses who are certified HUBs

- A. The sponsor (UT Arlington) facilitates interaction between the mentor and protégé and promotes the program through vendor fairs, workshops, and seminars
- B. The mentor firm provides time, resources, and expertise to teach, develop, and grow a new and developing protégé firm.
- C. The protégé firm acquires guidance from the mentor firm that will help it increase the potential for sustainable growth.
- D. Monthly meetings are attended by the mentor and protégé, with the sponsor attending quarterly.

Section VI. The HUB Subcontracting Plan

A HUB Subcontracting Plan shall be required to comply with the provisions of Chapter 111, Executive Administration Division, Subchapter B, Historically Underutilized Business Program, Section 1 TAC 111.14 related to the development of HUB Subcontracting Plans. The HUB Subcontracting Plan helps achieve the annual HUB program goals by:

- A. Subcontracting directly with HUBs or indirectly through subcontracting opportunities in accordance with the applicable Texas government codes.

- B. Determining whether subcontracting opportunities are probable under a contract before soliciting bids, proposals, offers, or other applicable expressions of interest.
- C. Identifying subcontracting opportunities stated in bids, proposals, offers, or other applicable expressions of interest and requiring the submission of a HUB Subcontracting Plan (HSP) by the prime or general contractor.

FORMS AND TOOLS/ONLINE PROCESSES

- [UT System Policy on the Utilization of HUBs](#)
- [UT System HUB Subcontracting Plan](#)
- [TPASS Centralized Master Bidders List - HUB Directory Search](#)
- [Centralized Master Bidders List](#)

APPENDICES

None