

1.0 MISSION, STRATEGIC PLAN, AND GOALS

1.1 Mission

The Historically Underutilized Business (HUB) Program at the University of Houston (UH) is committed to promoting the inclusion of HUB vendors in university procurements. The HUB Program ensures compliance with state HUB laws, assists UH departments in locating HUB vendors; as well as offering HUBs assistance to facilitate access and contracting opportunities.

1.2 Strategic Plan

HUB Operations will prepare a strategic plan in accordance with Texas Administrative Code 2161.123 and Title 34, Texas Administrative Code, Section 20.15(a). The strategic plan will be reviewed and updated annually and any new or revised plans will be sent to the Legislative Budget Board. The strategic plan will include:

- A policy or mission statement related to increasing the use of HUBs;
- Goals the University would meet in carrying out the policy or mission;
- Specific programs the University would conduct to meet the goals stated in the plan; and
- Specific programs to encourage contractors to use HUBs as partners and subcontractors.

1.3 HUB Procurement Utilization Goals

HUB Operations will develop annual HUB procurement utilization goals in accordance with Texas Government Code 2161.123(d)(5). In developing these goals, HUB Operations will consider scheduled fiscal year expenditures for each utilization category. Fiscal year goals will be established no later than October 30th of the current fiscal year.

The HUB procurement utilization goals for FY20 are as follows:

Procurement Category	FY20 HUB Utilization Goal
Heavy Construction	0%
Building Construction	21.10%
Special Trade	32.90%
Professional Services	23.70%
Other Services	26.00%
Commodities	21.10%

2.0 PROCUREMENT REQUIREMENTS

2.1 Dollar Thresholds

Procurement Method	Process	General Requirements	Only Federal Funds	Only Non-Federal Funds	Both Federal and Non-Federal Funds
Spot Purchase (Notes 3, 4)	P-Card or Voucher	Use UH contract, if applicable. May also use State Contract or Purchasing Cooperative, if available. Bidding not required, but encouraged to find best value and search for HUBs	\$0 - \$3,000.00	\$0 - \$5,000.00	\$0 - \$3,000.00
Informal Bid (Notes 3, 4, 5)	Requisition/PO	Use UH contract, if applicable. May also use State Contract or Purchasing Cooperative, if available. Department or Purchasing obtains minimum of 3 Quotes; 2 from HUB vendors.	\$3,000.01 to \$150,000.00	\$5,000.01 - \$25,000.00	\$3,000.01 - \$25,000.00
Formal Solicitation (Notes 1, 2, 3, 4, 5, 6)	Requisition/PO	Use UH contract, if applicable. If available, may use State Contract or Purchasing Cooperative. Post ITB, RFP, RFO, or RFQ on State of TX Comptroller's (ESBD). Notify qualified vendors in the Central Master Bidders List (CMBL)/ HUB Directory and UH HUB Database.	\$150,000.01 or more	\$25,000.01 or more	\$25,000.01 or more

Note 1: Formal solicitations that are paid in part with non-federal funds and expected to be \$80,000 or more for Facilities goods or services or \$100,000 or more for non-Facilities goods or services require vendors to submit a HUB Subcontracting Plan (HSP) with their response if Purchasing determines that subcontracting is probable. Formal solicitations that are paid solely with federal funds and expected to cost \$150,000.01 or more require a HSP if Purchasing determines that subcontracting is probable.

Note 2: POs and contracts expected to exceed \$1 million, regardless of duration, type of contract, or funds used, require Board of Regents approval prior to issuing a PO or signing the contract.

Note 3: Splitting a purchase or contract to avoid a more lengthy procurement method is not allowed.

Note 4: Reallocating a purchase or contract (in whole or in part) to a federal fund is only allowed if the original procurement method used would have been allowed for federal funds. A MAPP exception will not be approved to move a non-compliant purchase to federal funds.

Note 5: Invitation to Bid (ITBs) are posted on the ESBDB for a minimum of 14 calendar days. Lowest qualified bid wins. ITBs are usually for commodities only.

Note 6: Request for Proposals (RFPs), Request for Offer (RFOs), and Request for Qualifications (RFQs) are posted on the ESBDB for a minimum of 21 calendar days. A seven member (or greater) selection committee independently reviews qualified vendor responses and submits evaluations to Purchasing, which totals scores to determine winner. RFPs are for consulting and complex purchases that normally involve services. RFOs are for information technology purchases (hardware, software, and/or services). RFQs are for professional services (architects, engineers, physicians, accountants, etc.).

When HUBs are solicited it should be noted in the procurement file, and the file should indicate the company name, phone number and full name of the company designee. Further, the Bid Tabulation Sheet, which is attached to the PO for informal bids, indicates who was contacted and whether they are a HUB.

2.2 Solicitation Specifications

The HUB Director or designee should be involved in the development of bid specifications to ensure equal access for HUBs is provided. A vendor list will be disseminated to the Purchasing Department to aid in identifying HUBs for solicitation purposes.

2.3 Notifying Minority, Women, and Veteran Groups

In addition to posting all formal bid notices to the Electronic State Business Daily (ESBD), Purchasing will notify local minority, women, and veteran's organizations of the solicitation.

2.4 Pre-Proposal/Bid Conference

A HUB Operations Department designee will be present at pre-proposal/pre-bid meetings when an HSP is required to explain the HSP requirements and answer any related questions. A reference list of minority, women and veterans organizations for subcontracting will be provided to prime contractors when appropriate (e.g., construction projects).

See <http://www.uh.edu/purchasing/for> UH System Purchasing Guidelines

3.0 HUB SUBCONTRACTING PLAN (HSP)

Each state agency that considers entering into a contract with an expected value of \$100,000 (\$80,000 for facilities \$150,000 For Federal Funds) or more (including renewals and amendments) shall, before the agency issues solicitations or other applicable expressions of interest, determine whether subcontracting opportunities are probable under the contract.

If subcontracting opportunities are probable, each state agency's invitation for bids or other purchase solicitation documents for construction, professional services, other services, and commodities with an expected value of \$100,000 or more, shall state that probability and require a HUB Subcontracting Plan.

The HUB subcontracting plan subsequently becomes a part of the awarded contract, and shall be monitored for compliance during the term of the contract.

3.1 Determining Subcontracting Probability

The following steps will be used to determine probable subcontracting opportunities for contracts:

- The responsible Buyer shall examine the scope of work to be performed under the proposed contract and determine if it is likely that some of the work may be performed by a subcontractor along with one of the following
 - Complete a HUB search on the CMBL, HUB Directory, University of Houston HUB Operations Department (HOD) database via HOD Specialists assistance; and internet to determine whether HUBs may be available to perform the subcontracting work.
 - Contact other state agencies to obtain subcontracting information for similar projects.
 - Review similar in-house past purchasing transactions.
- Should the Buyer determine that subcontracting is probable; the solicitation will be issued with a HSP.
- Should the Buyer determine that subcontracting is not probable, the Buyer will discuss with the Purchasing Director and HUB Operations Department Director.
 - If the Purchasing Director and HUB Director agree that subcontracting is not probable, the solicitation will be issued without a HSP. The decision not to require a HSP will be documented in the procurement file.
 - If either the Purchasing Director or HUB Director believe that subcontracting is probable, the solicitation will be issued with a HSP.
- Maintaining documentation to support its determinations regarding subcontracting opportunities.
 - Determination of subcontracting opportunities is documented on the Subcontracting Probability Form, which is completed by the responsible Buyer in Purchasing and verified by HUB Operations. The Subcontracting Probability Form is maintained with the other procurement documents for this solicitation in the Purchasing share folder. This review is conducted for all Facilities solicitations at \$80,000 and above, for all non-Facilities solicitations at \$100,000 and above, and for all solicitations only involving federal funds at \$150,000 and above (in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards).

3.2 HSP Submittal

The HSP shall be submitted with the respondent's solicitation bid or proposal on or before the due date for responses. However, in indicated in the RFP for construction contracts, the HUB subcontracting plan may be submitted up to 24 hours following the date/time that responses are due provided that responses are not opened until the HUB Subcontracting Plan is received. HSP submittal instructions will be provided within the RFP.

HSP's should be time stamped upon receipt. HSP shall be rejected due to material failure to comply with Government Code, §2161.252(b).

Vendors attending a pre-proposal meeting, if a meeting is held, will be provided with a HSP Tips Sheet that summarizes requirements for the HSP, a link to instructions for searching for HUB vendors on the CMBL/HUB Directory, and a link to a list of Minority, Women and Veterans Organizations to assist prime contractors in completing the HSP and with identifying potential HUB subcontractors.

3.3 HUB Subcontracting Plan Courtesy Review

Upon request from the vendor, the HUB Operations Department will review the HSP prior to the solicitation due date. The review process is to identify and correct deficiencies prior to submission. The HUB Operations Department does not determine HSP responsiveness through the courtesy review process.

3.4 Determining Good Faith

The responsible Buyer reviews the HUB Subcontracting Plan (HSP) and completes a HSP Compliance Form, which indicates whether the Buyer considers that the HSP was completed in good faith. The HUB Operations Department reviews the HSP Compliance Form to verify they agree with the Buyer's assessment. If it is determined that a submitted HUB Subcontracting Plan was not developed in good faith, the University will consider this a material failure to comply with advertised specifications, and the subject response (bid, proposal, offer, or other applicable expression of interest) shall be rejected. The respondent will be notified and given an opportunity to respond. If the respondent's explanation is not acceptable, the HSP will be rejected. The reasons for rejection shall be documented on the HSP Compliance Form.

4.0 POST AWARD MEETING

For building construction, major renovation, and other large projects, a post award meeting will be conducted to review the roles and responsibilities of the prime contractor, which include the following:

4.1 Notification of Award to Subcontractors

The awarded vendor will provide notice as soon as practical to all the subcontractors (HUBs and non-HUBs) of their selection as a subcontractor for the awarded contract. Notice must include the following at a minimum:

- Contracting agency's name and the agency's point of contact for the contract;
- The contract award number;
- The subcontracting opportunity they (the subcontractor) will perform;
- The approximate dollar value of the subcontracting opportunity;
- The expected percentage of the total contract that the subcontracting opportunity represents.

A copy of the notice should be sent to the UH department's project manager and HUB Operations Department no later than ten (10) working days after the contract is fully executed.

4.2 Prime Contractor- Monthly Reporting

The awarded vendor shall maintain business records documenting compliance with the HUB subcontracting plan and shall submit a monthly Progress Assessment Report (PAR) in the format required by the Comptroller to the UH project manager. The PAR submission shall be required as a condition for payment.

The awarded vendor shall report to the university the identity and amount paid to each HUB and non-HUB subcontractor to whom the awarded vendor has awarded a subcontract for labor, supplies, materials and equipment. The subcontractors listed in the PARs should be the same subcontractors identified in the HSP.

As of September 1, 2017 the University of Houston launched a web based Contracts Compliance System. The new system will replace the monthly paper Progressive Assessment Reports (PARs), and will allow you to enter your monthly subcontractor payments in an easy and efficient manner. Benefits of the system include:

- Prime contractors no longer have to submit paper Progress Assessment Reports (PARs) with their monthly invoices indicating the amount they pay subcontractors, once they start entering subcontractor payments in B2G.
- The system will automatically calculate total payments to each subcontractor and compare that to the subcontract amount indicated in the prime contractor's HUB Subcontracting Plan (HSP).
- Subcontractors are automatically notified when a prime contractor enters payments in the system for the subcontractor, so the subcontractor can verify the information is correct, if they wish.

If a prime elected to self-perform in the HSP, said prime is still required to report monthly use or non-use of subcontractors in the UH Contract Compliance System throughout the term of the contract. Primes will receive a monthly email reminder to provide updates in the system. If an invoice is not submitted each month, PARs still must be submitted on a monthly basis.

If a HSP was not required as part of the solicitation, monthly PARs will not be required by the university for the resulting contract unless the university later determines that the prime contractor is in fact subcontracting or there is change in scope of work and the university determines that subcontracting is probable.

4.3 Monitoring the HSP

The HUB Operations Department will monitor participation for all solicitations that contain an HSP utilizing the UH Contract Compliance System. HUB Operations and the contracting department shall monitor the HSP monthly to determine if the value of the subcontracts to HUBs meets or exceeds the HUB subcontracting provisions specified in the contract.

Should the awarded vendor fail to meet the HUB subcontracting provisions specified in the contract, HUB Operations will contact the department's project manager and/or prime contractor to notify the prime contractor of any deficiencies.

The project manager shall ask the awarded vendor to submit documentation and explain to the university why the failure to fulfill the HUB subcontracting plan should not be attributed to a lack of good faith effort by the awarded vendor. HUB Operations should be copied on all communications as it pertains to HSP deficiencies.

4.4 Revisions to the Approved HSP

The awarded vendor may make modifications to the HSP. Modifications can be made based on the following:

If the awarded vendor decides to subcontract any part of the contract in a manner that is not consistent with its HSP or desires to make changes to the approved HSP, the awarded vendor must submit a completed HSP Modification Form for the university's review and approval before making any changes to its subcontracting. Once reviewed by the university, the HSP Modification Form will be sent to the awarded vendor and become part of the university's procurement file, HUB Compliance file, and will be considered a modification to the contract (see Attachment D-HSP Modification Form).

If the awarded vendor subcontracts any of the work without prior written authorization, the awarded vendor is deemed to have breached the contract and is subject to any remedial actions provided by Government Code, Chapter 2161, and other applicable state laws. The university shall report nonperformance relative to its contracts to the Comptroller in accordance with Texas Administrative Code (TAC) §20.108 (relating to Vendor Performance Tracking System).

If the university expands the original scope of work through a change order or contract amendment, including a contract renewal that expands the scope of work, the university shall determine if the additional scope of work contains additional probable subcontracting opportunities not identified in the initial solicitation. If the university determines probable subcontracting opportunities exist, the university will require the awarded vendor to submit a HSP Modification Form and/or HUB subcontracting plan/revised HUB subcontracting plan for the additional probable subcontracting opportunities.

4.5 Failure to abide by the HSP

If at such time it is determined that the prime contractor fails to meet the HSP provisions specified in the contract, written notice will give to the prime contractor outlining any deficiencies. The prime contractor will be provided with a reasonable amount of time to submit documentation and provide an explanation as to its failure in complying with the HSP.

In determining compliance, the HUB Program Director or designee will look to the following factors:

- whether the prime contractor gave timely notice to the subcontractor regarding the time and place of the subcontracted work;
- whether the prime contractor facilitated access to the resources needed to complete the work;
- whether the prime contractor complied with the approved HUB subcontracting plan.

If a determination is made that the prime contractor failed to implement the HUB subcontracting plan in good faith, the University of Houston, in addition to any other remedies, may report

nonperformance to the Comptroller in accordance with 34 Tex. Admin Code §20.105 (relating to Debarment) and 34 Tex. Admin Code §20.106 (relating to Procedures for Investigations and Debarment). In addition, if the prime contractor failed to implement the HUB subcontracting plan in good faith, the University of Houston may revoke the contract for breach of contract and make a claim against the prime contractor.

5.0 REPORTING

5.1 Grant HUB Reports

At various times throughout the fiscal year, the Office of Contracts and Grants (OCG) will request HUB reports for sponsored projects that require these reports. The HUB Program Director will create and submit the aforementioned reports to OCG within three (3) business days of the request.

5.2 Semi-Annual HUB Reports

The HUB Program Director will gather and submit semi-annual spending, bidding, and contract information to the Comptroller's Office. The mid-year report will include spending from September 1 to February 28/29 and the annual report will include spending from September 1 to August 31. The Comptroller will publish reports on its website based on the information submitted.

6.0 INTERNAL AWARENESS

6.1 Local HUB Vendor List

A list of local approved HUBs will be disseminated to the Purchasing department as a starting point in locating HUB vendors. This list should not be used in lieu of, but in addition to, the CMBL-HUB Directory, which can be found at <https://mycpa.cpa.state.tx.us/tpasscmlsearch/index.jsp>

6.2 Training on How to Search for HUBs

Aside from the Approved Local HUB Vendor List, departments should also know how to search for HUB vendors on the CMBL. Online or scheduled hands-on training will be provided by the Purchasing Department and the HUB Program Director will be available to assist individual users or departments, as needed. (See **CMBL Instructions**)

6.3 College/Division HUB Goal

The HUB Program Director will develop incentive programs/events to encourage UH departments to seek out and utilize HUB vendors.

7.0 EDUCATION & OUTREACH

7.1 University of Houston Sponsored HUB Vendor Fair (October)

The one day exhibit is designed to give HUB business owners an opportunity to market their products and/or services to the many departmental purchasing representatives on the University of Houston campus, as well as many other State of Texas agencies located in the Greater Houston Area.

The vendor fair will be free for exhibiting vendors and open to the public.

7.2 HUB Forum(s) (April)

The HUB Program Director or designee will participate in, plan and assist in economic opportunity forums, including those sponsored by other state agencies, minority, women and veteran organizations.

Once per year, in concert with University of Houston System Procurement Technical Assistance Center (PTAC), UH will host an annual HUB Vendor Forum. The purpose of the Forum is to provide an opportunity for minority-owned businesses, women-owned businesses, and businesses owned by a service-disabled veteran to meet with purchasing representatives from various state agencies and universities to discuss future business opportunities in support of state HUB initiatives. In addition, representatives from local government organizations may be invited to participate to meet with small business owners about conducting business with their organization.

7.3 HUB Vendor Showcase

The purpose of the HUB Vendor Showcase is for university personnel to meet one-on-one with a local, vetted HUB vendor and begin forming relationships with the vendor as well as becoming knowledgeable of the HUB vendor's products and/or services.

7.4 Mentor Protégé Program

Program Overview

The Mentor Protégé Program is designed to foster relationships between prime contractors and Historically Underutilized Businesses (HUBs). The intent of the program is to provide professional guidance and support to HUB vendors. The one-on-one relationship between a University of Houston prime contractor and HUB vendor is mutually beneficial. The mentor (prime contractor) can use their protégé (HUB vendor) to fulfill HUB subcontracting requirements when bidding on state contracts, and the protégé can learn business practices and techniques from the mentor that will help their business grow.

Eligibility and Application Process

In order for a prospective protégé to be eligible for the Mentor-Protégé Program, the protégé must:

1. Be a State of Texas HUB
2. Have been in business for at least one year
3. Agree to sign a written agreement to discuss business practices with the mentor
4. Be able to identify the type of guidance needed from the mentor for business development
5. Be in "good standing" with the State of Texas
(<http://www.comptroller.texas.gov/taxinfo/coasintr.html>)

In order for a prospective mentor to be eligible for the Mentor-Protégé Program, the mentor must:

1. Be a current or recent (within the past two years) prime contractor with the University of Houston
2. Agree to sign a written agreement to discuss business practices with the protégé
3. Be able to provide the type of guidance requested by the protégé for business development
4. Be in "good standing" with the State of Texas
(<http://www.comptroller.texas.gov/taxinfo/coasintr.html>)
5. Satisfactory performance on current or former UH contracts, if applicable

Interested vendors may fill out and submit a [Mentor Protégé Application](#) via email to Tanya Douglas at tsmith6@uh.edu or fax to 713-743-5672.

While business contracts may result from the mentor-protégé relationship, there is no guarantee that this will occur. The primary intent of the Mentor Protégé Program is to provide helpful information to the HUB protégé to help them improve their business.

7.5 Fostering Relationships with Minority, Women and Veteran Organizations

Fostering long-term relationships and partnerships with local minority, women and veteran organizations is tantamount to the program's success. The HUB Director shall meet with various organizations in the capacity of both a presenter and exhibitor.

8.0 MARKETING

8.1 HUB Website

Develop and maintain a website that includes the following information:

- Bid advertisement (Link to the ESBD)
- UH Purchasing Procedures
- What is a HUB?
- HUB Certification Process
- Centralized Master Bidder List (CMBL)
- Calendar of Events