
PURCHASES FROM HISTORICALLY UNDERUTILIZED BUSINESSES (HUBs)

A. Purpose

The purpose of this policy is to promote full and equal opportunity for all businesses to supply the goods and services needed to support the mission, administrative, and logistical operations of this institution.

B. Persons Affected

Compliance with this policy is the responsibility of all University of Texas Rio Grande Valley (UTRGV) employees. The target audience for this policy includes, but is not limited to, all UTRGV employees involved in defining, sourcing, contracting, and/or purchasing goods or services for the institution.

C. Definitions

1. Economically disadvantaged person –a person who is economically disadvantaged because of the person’s identification as a member of a certain group, including: Black Americans; Hispanic Americans, women; Asian Pacific Americans; Native Americans; and disabled veterans.
2. Good Faith Effort - Adoption of procedures across all spectrums of the procurement process in accordance with the goals specified in the State of Texas Disparity Study (Disparity Study), to ensure HUBs are encouraged to participate in and given fair opportunity for contract awards.
3. Historically Underutilized Business - A for-profit entity that has not exceeded the size standards prescribed by 34 TAC §20.23, and has its principal place of business in Texas, and is at least 51% owned by an Asian Pacific American, Black American, Hispanic American, Native American, American woman and/or Service Disabled Veteran, who reside in Texas and actively participate in the control, operations and management of the entity's affairs.

D. Policy

UTRGV commits to a Good Faith Effort to increase purchases from and contract awards to Historically Underutilized Businesses (HUBs) consistent with state goals for HUB participation and overall economic development.

UTRGV shall comply with the requirements of The University of Texas System Policy UTS137 - Historically Underutilized Business (HUB) Program.

The President of the institution is responsible for implementation of the HUB program. The president shall develop the institutional strategic and action plans necessary for effective implementation of the HUB program.

UTRGV shall make a good faith effort to meet or exceed annual goals for HUB participation in purchases of and contracts for commodities and services.

E. Responsibilities

Not applicable

F. Procedures

1. HUB Program and Infrastructure. The University of Texas - Rio Grande Valley shall implement the actions specified below.

- a. *HUB Coordinator* - Designate a staff member to serve as the HUB Coordinator for the institution. If not the Chief Procurement Officer, the designee should be appointed and report to the same management level as or higher management level than the institution's Chief Procurement Officer. The HUB Coordinator advises and assists institution management and staffs in implementing essential HUB program functions including, but not limited to:
 - i. Facilitating compliance with agency good faith effort criteria;
 - ii. HUB program reporting;
 - iii. HUB program marketing and outreach; and
 - iv. Contract administration as it relates to HUB program compliance, including development of procurement specifications and evaluation of contracts for compliance.
- b. *Resources* - UTRGV shall provide resources (financial, human, and equipment) necessary and sufficient for full and effective implementation of HUB program functions.
- c. *Structure* - UTRGV shall specify an operating division structure (line and block diagram with necessary explanatory narrative/notes) to define responsibility and accountability for program implementation. UTRGV shall include that structure in the required strategic action plan.
- d. *Staff Coordinating Group* - UTRGV shall establish a Staff Coordinating Group to provide functional staff expertise regarding implementation of all aspects of the HUB program.
- e. *Marketing and Outreach Program* - Institutions shall establish a Marketing and Outreach Program. Outreach strategies involve every practical means for informing the HUB vendor community of business opportunities with UTRGV and to make institutional personnel knowledgeable of HUB firms capable of supplying needed materials, supplies, equipment and services.

- i. *Economic Opportunity Forums* - Develop and participate in economic opportunity forums and fairs including those sponsored by legislators; Texas Procurement and Support Services (TPASS), a division of the State Comptroller's Office; other institutions; other State agencies; and private business entities. The institution should plan to participate in these and other outreach activities they deem necessary and beneficial to their HUB programs.
 - ii. *Agency Forum Program* - Institutions with a biennial appropriation exceeding \$10 million are required to design a program of forums in which HUBs are invited to deliver technical and business presentations that demonstrate their business capabilities to institutional senior managers and procurement personnel and to professionals/contractors/vendors who may be subcontracting for goods and services of the kinds supplied by the HUB.
 - iii. *Mentor-Protégé Program* - Institutions with a biennial appropriation exceeding \$10 million are required to implement a mentor-protégé program to foster long-term relationships between prime contractors and HUBs, to increase the ability of HUBs to contract with the State, or to receive subcontracts under a State contract.
 - iv. *HUB Certification Assistance* - An important function of outreach is to inform the HUB vendor community of the benefits of registration on the Centralized Master Bidders List (CMBL) and application for certification as a HUB firm. All practical assistance should be provided to facilitate these outcomes.
- f. *Establish an Internal Education and Functional Staff Support Program* - Operating Division Heads require special staff expertise including procurement, accounting, information services, and HUB program development in order to implement effective HUB programs in the areas of their supervision. Primarily, the Staff Coordinating Group should provide this support.
- i. All staff engaged in daily procurement operations must be knowledgeable of and vigorously implement HUB program goals, objectives, strategies, and action plans.
 - ii. Institutions or departments may establish a system to monitor individual buyer performance as it relates to institutional HUB program goals and objectives.
- g. *Reporting Systems* - Develop and maintain internal and external HUB utilization reporting systems.
- i. *Internal Reporting*. UTRGV shall compile and maintain monthly information relating to the use of HUB firms. Reporting systems must compile:
 1. Information regarding subcontractors and suppliers as required by *Texas Government Code* Section 2161.122;
 2. Compilation of data by operating division; and
 3. no later than the 60th day of the fiscal year, estimations of the total value of contract awards expected to be made for that fiscal year that is subject to

Texas Government Code Section 2161.181, and the total value of contract awards expected to be made for that fiscal year under *Texas Government Code*, Chapter 2166. Estimates may be revised as new information indicates and will be maintained in agency files.

- ii. External Reporting. UTRGV shall:
 1. include as a part of its Legislative Appropriations Request (LAR), a detailed report showing the extent of compliance with Chapter 2161, *Texas Government Code* and 34 *Texas Administrative Code* Sections 20.11 – 20.28 for the two calendar years preceding the calendar year in which the request is submitted, and
 2. Make semiannual and annual reports on expenditures for goods and services specified by object codes reportable under the HUB program. The institution shall not include expenditures for building construction projects managed by the University of Texas System Office of Facilities Planning and Construction (OFPC).
 3. provide quarterly assessment reports to the Texas Comptroller's Office tracking HUB related activities as prescribed by the Texas Comptroller's Office
 - i. Reports submitted to TPASS and to University of Texas System Administration shall be certified by the President or the chief business officer.
 - ii. Reports regarding HUB program data, objectives, and activities must be provided as requested by University of Texas System Administration.
- iii. Supplemental Reporting. UTRGV shall:
 1. Submit a supplemental summary letter that provides a more comprehensive representation of the agency's good faith effort.
 2. Submit the number of HUBs submitting bids and/or proposals for the acquisition, construction, equipping, or operational implementation of State facilities or programs.
 3. Submit the number of contracts awarded to businesses with regard to the agency's acquisition, construction, or equipping of a facility or implementation of a program.
 4. Submit the report required by agencies authorized to participate in a group-purchasing program.
 5. Submit the HUB Strategic Plan Progress Report (SPPR) with agency Annual Financial Reports (AFR).

2. Procedures

- a. Prepare and publish information on procurement procedures in a manner that encourages participation in contracts by all businesses.
- b. Divide proposed requisitions into reasonable lots in keeping with industry standards and competitive bid requirements.

- c. Where feasible, assess bond and insurance requirements and design of such requirements to reasonably permit more than one business to perform the work.
 - d. Specify reasonable, realistic delivery schedules consistent with an agency's actual requirements.
 - e. Establish specifications, terms, and conditions that reflect an agency's actual requirements, are clearly stated, and do not impose unreasonable or unnecessary contract requirements.
 - f. Provide source lists of certified HUBs for subcontracting to prime contractors.
 - g. Determine whether specific agency-wide goals are appropriate under the State of Texas Disparity Study.
 - h. Include Supplemental Summary providing a more comprehensive representation of component Good Faith Efforts, as prescribed by Texas Procurement and Support Services (TPASS), in semi-annual and annual HUB & Federal Small Business Program reporting.
 - i. Identify potential subcontract opportunities in all contracts with an estimated value of \$100,000 or more over the term of the contract, and require a HUB Subcontracting Plan to be included in solicitation where such opportunities exist.
- G. Relevant Federal and/or State Statute(s), Board of Regents' Rule(s), UTS Policy(ies), and/or Coordinating Board Rule(s)**

Texas Government Code, Chapter 2155, Purchasing: General Rules and Procedures

Texas Government Code, Chapter 2161, Historically Underutilized Businesses

Texas Administrative Code (TAC) Title 34, Part 1, Chapter 20, Subchapter B, Rule 20.13 Statewide Annual HUB Utilization Goals.20.11-20.28

The University of Texas System Board of Regents' *Rules and Regulations*, Rule 20701, Use of Historically Underutilized Businesses

The University of Texas System, Policy UTS137: Historically Underutilized Business (HUB) Program