**Historically Underutilized Businesses** **UPPS No. 05.02.04**

**Advocacy Program Issue No. 4
Effective Date: 01/02/2019
Next Review Date: 12/01/2025 (E6Y)**

 **Sr. Reviewer: Director, Procurement and Strategic Sourcing**

**01. POLICY STATEMENT**

01.01 It is the objective of Texas State University to increase the participation of Historically Underutilized Businesses (HUBs) in university procurement opportunities in accordance with [Texas Government Code §2161](https://statutes.capitol.texas.gov/Docs/GV/htm/GV.2161.htm), the [State of Texas Comptroller’s Statewide Procurement Division Rules](https://comptroller.texas.gov/purchasing/vendor/hub/), [Texas Administrative Code, Title 34; Part 1; Chapter 20; Subchapter D, Division 1](https://texreg.sos.state.tx.us/public/readtac%24ext.ViewTAC?tac_view=2&ti=34), [Texas Education Code §51.9335](https://statutes.capitol.texas.gov/Docs/ED/htm/ED.51.htm#51.9335), and [The Texas State University System (TSUS) Rules and Regulations – Chapter III paragraph 18 (Historically Underutilized Businesses)](https://www.tsus.edu/about-tsus/policies.html).

**02. RESPONSIBILITIES OF THE HUB COORDINATOR**

02.01 The director of Procurement and Strategic Sourcing shall act as Texas State’s HUB coordinator and:

a. have the authority to develop and implement policies and procedures necessary to comply with state HUB requirements;

b. oversee record-keeping efforts to ensure the effectiveness of the HUB program and report the progress;

c. submit required HUB reports;

d. develop, implement, and maintain a marketing and outreach program;

e. develop and implement a mentor *protégé* program;

f. develop models of education for in-reach and out-reach activities;

g. review and approve HUB subcontracting plans (HSP) and evaluate contracts for HUB compliance; and

h. partner with the Small Business Development Center to encourage potential HUBs to go through the HUB Certification Program under the Small Business Development Center’s Certification Program.

**03. PROCEDURES FOR IN-REACH AND OUT-REACH ACTIVITIES**

03.01 Procurement and Strategic Sourcing shall create a HUB advisory committee. The HUB advisory committee will consist of key campus purchasing staff and assist the HUB coordinator in:

a. identifying potential HUB vendors of goods and services to stakeholders in their departments or divisions;

b. attending HUB focused outreach events to meet HUB vendors and discuss future procurement opportunities in their division; and

c. meeting with HUB vendors interested in providing goods and services to the university.

03.02 It is the responsibility of the HUB advisory committee members to encourage their departments or divisions to incorporate Texas certified HUB vendors for opportunities to provide goods and services for their areas.

03.03 Procurement and Strategic Sourcing shall participate in educational out-reach activities by:

a. attending trade fairs for HUBs to demonstrate their products and services to potential buyers;

b. attending meetings between HUBs and key staff within the university;

c. actively promoting potential contractors to use HUB subcontractors through the bid and proposal requirements and at pre-bid meetings; and

d. utilizing the Centralized Master Bidders List provided by the Comptroller’s Statewide Procurement Division as a tool in procurement activities.

**04. HUB SUBCONTRACTING PLAN PROCEDURES**

04.01 When the value of a purchase or contract is estimated to be greater than $90,000 over the life of the contract, including any renewal options, an HSP may be required if deemed probable for subcontracting opportunities. If an HSP is required, the HSP becomes a provision of the contract or purchase order.

a. If the prime contractor decides to subcontract any part of the contract utilizing a subcontractor not indicated on the current HSP, the prime contractor must submit a revised HSP for review and approval prior to performing the additional work.

b. During the term of the contract or purchase order, the account manager shall monitor the HSP monthly to ensure that the value of the HUB subcontracting expenditures meet or exceed the HUB subcontracting provisions specified in the approved HSP.

c. A Progress Assessment Report shall be submitted by the prime contractor to the department with each invoice for payment per [Texas Administrative Code, Title 34; Part 1; Chapter 20; Subchapter D, Division 1, Rule §20.285(f)(1)](https://texreg.sos.state.tx.us/public/readtac%24ext.TacPage?sl=T&app=9&p_dir=F&p_rloc=182545&p_tloc=14529&p_ploc=1&pg=2&p_tac=&ti=34&pt=1&ch=20&rl=285) which states:

 “Prime contractors shall maintain business records documenting compliance with the HUB subcontracting plan and shall submit a compliance report to the contracting state agency monthly, in the format required by the comptroller. The compliance report submission shall be required as a condition for payment.”

d. It is the HUB coordinator’s responsibility to ensure the provisions in the contract pertaining to the HSP are met and verified.

e. Purchasing and Strategic Sourcing shall maintain all documentation regarding the HSP.

**05. REVIEWERS OF THIS UPPS**

* 1. Reviewers of this UPPS include the following:

Position Date

Director, Procurement and Strategic December 1 E6Y

Sourcing

**06. CERTIFICATION STATEMENT**

This UPPS has been approved by the following individuals in their official capacities and represents Texas State policy and procedure from the date of this document until superseded.

Director of Procurement and Strategic Sourcing; senior reviewer of this UPPS

Associate Vice President for Financial Services

Vice President for Finance and Support Services

President