Historically Underutilized Business (HUB)

HUB Subcontracting Plan (HSP) Training
Agenda

• HSP: What & Why?
• Various Subcontracting Options
  a) Method I: All HUBs
  b) Method II: Mentor-Protégé
  c) Method III: Meeting/Exceeding
  d) Method IV: Solicitation
  e) Method V: Self Performing
• CPA’s Commodity Book
• CMBL Searching
Agenda Continued

• HSP Requirements:
  a) HSP (3 pages)
  b) Good Faith Effort Attachments
  c) Supporting Documentation
  d) Reminders

• Post-Award & PARs

• HUB Office Contact Information
HSP: What & Why?

WHY? It’s the LAW!
(TGC §2161 and 34 TAC §20.285)

- **HUB Subcontracting Goal** = the assigned HUB subcontracting goal as per the 2009 Texas Disparity Study:
  
  **Other:**
  - 23.7%: Professional Services
  - 26%: All Other Services
  - 21.1%: Commodities

  **Construction Related:**
  - 11.2%: Heavy Construction
  - 21.1%: Building Construction
  - 32.9%: Special Trade Construction
HSP: What & Why? Continued

- **HUB** = Historically Underutilized Business
  - A small business, by SBA standards
  - 51%+ owned & operated by a member of the following groups:
    - Asian Pacific American,
    - Black American,
    - Hispanic American,
    - Native American,
    - American Woman, and
    - and/or 20%+ Service Disabled Veterans
  - Reside and primary place of business must be in Texas.
  - Active in the business daily control.

- **CMBL (Centralized Master Bidders List) and HUB Directory** = TX Certified HUBs

- **HSP** = HUB Subcontracting Plan
- **GFE** = Good Faith Effort
HSP: What & Why? Continued

- **Subcontractor** = Government Code, §2251.001:
  Contracts with a prime contractor towards
  - completing work
  - providing materials
  - supplies, equipment and/or services
  for a governmental entity.

Includes Non-W2 employee, 1099, or even teaming partners
Various Subcontracting Options

Method I: All HUBs

Only currently certified active HUBs may be used to satisfy this GFE method.
Various Subcontracting Options

Method II: Mentor-Protégé Agreement

- Prime = Mentor
- HUB = Protégé
- Approved state of TX sponsored agreement
Various Subcontracting Options

Method III: Meeting/Exceeding Goal

HUB subcontracting goal is *met or exceeded*

- *HUBs & non-HUBs

*With HUBs that the respondent has NOT been in a continuous contract of 5 years or more*
Various Subcontracting Options

Method IV: Solicitation Method

HUB subcontracting goal **Not met or Exceeded.**

- Use of HUBs & non-HUBs
Various Subcontracting Options

Method IV: Solicitation Method
(Continued)

Requires:

- Minimum of 3 Currently Certified HUBs per each subcontracting opportunity
- Minimum of 2 HUB Based Trade Orgs./Business Development Centers
  - in writing:
    - Email
    - Fax
    - Certified letters
- Minimum 7 business days to respond
Various Subcontracting Options

Method V: Self Performing

Prime contractor perform **ALL** aspects:

- W2 employees
- Materials
- Supplies
- Specialized licenses
- Etc.

Justification required and agency may request additional information including site audits.
CPA’s Commodity Book

https://mycpa.cpa.state.tx.us/commbook/
CMBL Searching

https://mycpa.cpa.state.tx.us/tpasscmblsearch/tpasscmblsearch.do
HSP Requirements:

a) HSP Pages

All subcontracting method options require:

a) HSP (3 pages)

- Contractor/Company information
- Subcontracting intentions
- Binding signature.
HSP Requirements: 
a) HSP Page 1

1. Contractor/Company information
HSP Requirements: a) HSP Page 2

Subcontracting Intentions

Section 2: a. MUST indicate your subcontracting intentions

Section 2: b. List all Subcontracting
- List cumulative totals from each “Attachment A or B”
- Note “TBD” is NOT an acceptable response
- In cases of open ended contracts, the percentage is required, but the $ amount is an unknown variable and may be excluded. Please obtain guidance from HUB Coordinator prior to omitting.
HSP Requirements:

a) HSP Page 3

3. Binding signature
b) **Good Faith Effort (GFE) Attachments**

- **Method I: All HUBs**
- **Method III: Meeting/Exceeding Contract’s HUB Goal**
  
  \[= \text{Attachment “A” (single page)}\]

- **Method II: Mentor-Protégé Agreement**
- **Method IV: Solicitation Method**
  
  \[= \text{Attachment “B” (front & back pages)}\]
HSP Requirements:
b) GFE Attachments A

Method I or III:

1. Contractor Company Name
2. Subcontracting Opportunity
3. Subcontractor Selection

Identify:
- Company Name
- Texas Certified HUB (Y) or (N)
- Texas VID or Federal EIN #
(Note: no Social Security Numbers)
- Percentage and Dollar Amount
- Note these methods do NOT required the 7 days notifications
HSP Requirements:
b) GFE Attachments B (Front)

Method II or IV: Front

1. Contractor Company Name
2. Subcontracting Opportunity
3a. Subcontractor Notification

3b. Complete a form for each Subcontracting Item listed on Page 2 of the HSP:
   - (3) Texas certified HUBs and
   - (2) Trade Org.s/Develop.
   - Centers
   - MUST provide at least 7 working for response

Provide supporting documentation (email, fax, etc.).
HSP Requirements:
b) GFE Attachments B (Back)

Method II or IV: back

1. Contractor Company Name

2. Subcontracting Opportunity

3. Subcontractor Selection:
   • Company Name
   • Texas Certified HUB (Y) or (N)
   • Texas VID or Federal EIN # (Note: no Social Security Numbers)
   • Percentage
   • Dollar Amount
   • Note “TBD” is NOT acceptable

Please provide justification for Non-HUB Subcontractor(s)
HSP Requirements: c) Documentation

Most subcontracting method options require:

- **HUB Vendor Profiles on CMBL/HUB Directory**
  i. HUB’s VID#  
  ii. Contact information  
  iii. Certification status “A” = Active  
  iv. Certification expiration date  

- **Written GFE notification (Method IV Solicitation)**
  1. Sent emails  
  2. Certified Letters  
  3. Fax logs  
     *7 business days to respond
HSP Requirements: d) Reminders

• Quick Checklist

• GFE Attachment quick hints:
  • Odd = Attachment A
  • Even = Attachment B

• Changes to the final HSP are not allowed after the final submission.

• HSP Courtesy Reviews are available upon written request. Please allow sufficient time for review.

• Contact the assigned HUB Coordinator with any HSP related questions.
Post-Award

1. HUB Post-Award Meetings
   a. Notification of selected subcontractors must be submitted within 10 days after the award.
      Email the HUB Program Office: HHSCHUB@hhsc.state.tx.us.
   b. PARs (Progress Assessment Reports)
      i. Required Monthly with All Pay Request.
      ii. List All Subcontractors payments (HUBs and Non-HUBs).
      iii. Required even if Self-Performing all the work.
HUB Office Contact Information

- HUBOutreach@hhsc.state.tx.us
- (512) 406-2570
  - For an active solicitation contact HUB Coordinator listed in the solicitation docs
Thank You