

# Historically Underutilized Business Program

Texas Department of Insurance  
Request for Proposal: 09-RBD-MediationAdm2  
April 30, 2009

# Introductions

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Texas Department of Insurance**

**Contact Person**

**RFP 09-RBd-MediationAdm2(rebid)**

# Main Topics of Discussion

- ❖ **RFP Clarifications/Revisions**
- ❖ **HUB Subcontracting Plan (HSP)**
  - **How to Complete**
  - **When to Complete**
  - **Disqualifying Factors**
- ❖ **How to Identify HUB Vendors**

# RFP Clarifications/Revisions

## **HUB Subcontracting Plan**

## 2.7 RFP Original Language

### **2.7 Subcontracting with Historically Underutilized Businesses (HUBs).**

Historically Underutilized Businesses (HUBs) are strongly urged to respond to this RFP. Under State law, State agencies are required to make a good faith effort to increase the contract awards to HUBs for the purchase of goods or services that State agencies expect to make during a fiscal year. [For example, see rules promulgated at 34 Tex. Admin. Code §§ 20.11 through 20.28.] Contractors that meet the qualifications are strongly encouraged to apply for certification as HUBs. Please contact Texas Procurement and Support Services (TPASS) Director of Business Services, at 512-463-3612, or the TDI Contact Person specified in this RFP if you have any questions regarding the certification process. Contractors may also contact TPASS at 512-463-5872 for additional HUB certification information.

With the prior written approval of TDI, Contractor may subcontract for a portion of the work to be provided under the contract. If the expected value of the contract is in excess of \$100,000.00 and TDI has determined that subcontracting is a probability, then the Contractors submitting a response to the RFP are required to include a HUB subcontracting plan. Where a subcontracting plan is required, the bid must contain a subcontracting plan to be considered responsive. Failure to submit a subcontracting plan will disqualify the bid. [See Texas Comptroller of Public Accounts (CPA) rules applicable to certain subcontracts at 34 Tex. Admin. Code § 20.14]. **TDI has determined that subcontracting is a probability with this RFP.**

# 2.7 RFP Revised Language

## **2.7 Subcontracting with Historically Underutilized Businesses (HUBs).**

Historically Underutilized Businesses (HUBs) are strongly urged to respond to this RFP. Under State law, State agencies are required to make a good faith effort to increase the contract awards to HUBs for the purchase of goods or services that State agencies expect to make during a fiscal year. [For example, see rules promulgated at 34 Tex. Admin. Code §§ 20.11 through 20.28.] Contractors that meet the qualifications are strongly encouraged to apply for certification as HUBs. Please contact Texas Procurement and Support Services (TPASS) Director of Business Services, at 512-463-3612, or the TDI Contact Person specified in this RFP if you have any questions regarding the certification process. Contractors may also contact TPASS at 512-463-5872 for additional HUB certification information.

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## 4.12.3 RFP Original Language

4.12.3 TDI has determined that subcontracting is a probability with this RFP. As such, Contractor must submit a subcontracting plan with Contractor's proposal to be considered responsive. Failure to submit a subcontracting plan will disqualify the response.

The HUB Subcontracting Plan and Self Performance HUB Contracting Plan, if applicable, must be submitted with the RFP response to be considered responsive. Contractors must go to the websites listed below for instructions and forms.

# 4.12.3 RFP Revised Language

4.12.3 TDI has determined that subcontracting is a probability with this RFP. As such, the Contractor may submit a HSP with Contractor's proposal, however failure to submit will not disqualify the response.

The HUB Subcontracting Plan and Self Performance HUB Contracting Plan, if applicable, may submitted with the RFP response. Contractors must go to the websites listed below for instructions and forms.



**The  
Historically Underutilized  
Business  
Subcontracting (HSP)  
Process**

# Good Faith Effort

## The Texas Department of Insurance

- ❖ encourages equal business opportunities with all businesses
- ❖ promotes the Historically Underutilized Business (HUB) program
- ❖ makes a good faith effort to utilize minority and women owned businesses in the procurement process

# HSP Instructional Video

- ❖ The Comptroller of Public Accounts has developed a HSP Instructional Video
- ❖ Respondents should review the video to obtain a complete understanding of how to complete the required HSP forms.
- ❖ <http://www.window.state.tx.us/procurement/prog/hub/hub-subcontracting-plan/>

# The HUB Subcontracting Plan

(HSP)



# HUB SUBCONTRACTING PLAN (HSP)

In accordance with Gov't Code §2161.262, the contracting agency has determined that subcontracting opportunities are probable under this contract. Therefore, respondents, including State of Texas certified Historically Underutilized Businesses (HUBs), must complete and submit a State of Texas HUB Subcontracting Plan (HSP) with their solicitation response.

**NOTE: Responses that do not include a completed HSP shall be rejected pursuant to Gov't Code §2161.252(b).**

The HUB Program promotes equal business opportunities for economically disadvantaged persons to contract with the State of Texas in accordance with the goals specified in the State of Texas's Disparity Study. The HUB goals defined in 36 TAC §20.13 are: 11.8 percent for heavy construction other than building contracts, 26.1 percent for all building construction, including general contractors and operative builders contracts, 17.2 percent for all special trade construction contracts, 20 percent for professional services contracts, 33 percent for all other services contracts, and 12.8 percent for commodities contracts.

- - Agency Special Instructions/Additional Requirements - -

## SECTION 1 - RESPONDENT AND SOLICITATION INFORMATION

- a. Respondent (Company) Name: \_\_\_\_\_ State of Texas VED #: \_\_\_\_\_  
 Point of Contact: \_\_\_\_\_ Phone #: \_\_\_\_\_
- b. Is your company a State of Texas certified HUB?  - Yes  - No
- c. Solicitation #: \_\_\_\_\_

## SECTION 2 - SUBCONTRACTING INTENTIONS

After having divided the contract work into reasonable lots or portions to the extent consistent with prudent industry practices, the respondent must determine what portion(s) of work, including goods or services, will be subcontracted. Note: In accordance with 34 TAC §20.12, a "Sub-contractor" means a person who contracts with a vendor to work, to supply commodities, or to contribute toward completing work for a governmental entity. Check the appropriate box that identifies your subcontracting intentions:

- Yes, I will be subcontracting portion(s) of the contract.  
 (If Yes, in the spaces provided below, list the portions of work you will be subcontracting, and go to page 2.)
- No, I will not be subcontracting any portion of the contract, and will be fulfilling the entire contract with my own resources.  
 (If No, complete SECTION 9 and 10.)

Line Item # - Subcontracting Opportunity Description	Line Item # - Subcontracting Opportunity Description
( #1 ) -	(#1) -
( #2 ) -	(#2) -
( #3 ) -	(#3) -
( #4 ) -	(#4) -
( #5 ) -	(#5) -
( #6 ) -	(#6) -
( #7 ) -	(#7) -
( #8 ) -	(#8) -
( #9 ) -	(#9) -
(#10) -	(#20) -

If you have more than twenty subcontracting opportunities, a continuation page is available at <http://www.window.state.tx.us/procurement/prog/hub/hub-form#HUBSubcontracting#continuationPage1.doc>

# The HSP Form

<http://www.cpa.state.tx.us/procurement/prog/hub/hub-subcontracting-plan/>

# 1. Respondent & Solicitation Information

- All Respondents must complete
- Sections a, b and c

SECTION 1 • RESPONDENT AND SOLICITATION INFORMATION	
a. Respondent (Company) Name: _____	State of Texas VID #: _____
Point of Contact: _____	Phone #: _____
b. Is your company a State of Texas certified HUB? <input type="checkbox"/> - Yes <input type="checkbox"/> - No	
c. Solicitation #: _____	

# 2. Subcontracting Intentions

- Will a subcontractor be utilized ( Y or N)
- List ALL types of work to be subcontracted

## SECTION 2 - SUBCONTRACTING INTENTIONS

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- Yes, I will be subcontracting portion(s) of the contract.  
(If Yes, in the spaces provided below, list the portions of work you will be subcontracting, and go to page 2.)
- No, I will not be subcontracting any portion of the contract, and will be fulfilling the entire contract with my own resources.  
(If No, complete SECTION 9 and 10.)

Line Item # - Subcontracting Opportunity Description	Line Item # - Subcontracting Opportunity Description
( #1) -	(#11) -
( #2) -	(#12) -
( #3) -	(#13) -
( #4) -	(#14) -
( #5) -	(#15) -
( #6) -	(#16) -
( #7) -	(#17) -
( #8) -	(#18) -
( #9) -	(#19) -
(#10) -	(#20) -

# 3. Subcontracting Opportunity

NOTE: Remember to prepare page 2 Sections 3 through 8 for each Line item listed on page 1

- ❖ Enter Your Company's Name & Solicitation Number at the top of the page
- ❖ Enter the line item # and description as listed in Section 2

Enter your company's name here: \_\_\_\_\_ Solicitation #: \_\_\_\_\_

**IMPORTANT:** You must complete a copy of this page for each of the subcontracting opportunities you listed in SECTION 2. You may photocopy this page or download copies at <http://www.window.state.tx.us/procurement/prog/hub/hub-forms/HUBSubcontractingPlanContinuationPage2.doc>.

## **SECTION 3 - SUBCONTRACTING OPPORTUNITY**

Enter the line item number and description of the subcontracting opportunity you listed in SECTION 2.

Line Item # \_\_\_\_\_ Description: \_\_\_\_\_



# 4. Mentor-Protégé Program

- ❖ The Respondent must be mentor to the subcontractor listed
- ❖ Must be on CPA approved M/P List
- ❖ If Yes, skip sections 5, 6 & 7 of the HSP
- ❖ If No, Go to Section 5

## SECTION 4 • MENTOR-PROTÉGÉ PROGRAM

If respondent is participating as a Mentor in a State of Texas Mentor Protégé Program, submitting their Protégé (Protégé must be a State of Texas certified HUB) as a subcontractor to perform the portion of work (subcontracting opportunity) listed in SECTION 3, constitutes a good faith effort towards that specific portion of work. Will you be subcontracting the portion of work listed in SECTION 3 to your Protégé?

- Yes (If Yes, complete SECTION 8 and 10.)     - No / Not Applicable (If No or Not Applicable, go to SECTION 5.)

# 5. Professional Service Contract

- This section applies to Professional Svc Contracts Only
- This is not a Professional Service Contract

## **SECTION 5 - PROFESSIONAL SERVICES CONTRACTS ONLY**

This section applies to Professional Services Contracts only. All other contracts go to SECTION 6.

Does your HSP contain subcontracting of 20% or more with HUB(s)?

- Yes (If Yes, complete SECTION 8 and 10.)     - No / Not Applicable (If No or Not Applicable, go to SECTION 6.)

*In accordance with Gov't Code §2254.004, "Professional Services" means services: (A) within the scope of the practice, as defined by state law of accounting; architecture; landscape architecture; land surveying; medicine; optometry; professional engineering; real estate appraising; or professional nursing; or (B) provided in connection with the professional employment or practice of a person who is licensed or registered as a certified public accountant; an architect; a landscape architect; a land surveyor; a physician, including a surgeon; an optometrist; a professional engineer; a state certified or state licensed real estate appraiser; or a registered nurse.*

# 6. Notification of Subcontracting Opportunities

- ❖ Carefully read parts a, b and c
- ❖ Written notification must be provided to HUBs
- ❖ All backup up documentation must be submitted with HSP packet and RFP Response

## SECTION 6 - NOTIFICATION OF SUBCONTRACTING OPPORTUNITY

Complying with a, b and c of this section constitutes Good Faith Effort towards the portion of work listed in SECTION 3. After performing the requirements of this section, complete SECTION 7, 8 and 10.

- Provide written notification of the subcontracting opportunity listed in SECTION 3 to three (3) or more HUBs. Use the State of Texas' Centralized Master Bidders List (CMBL), found at <http://www2.cpa.state.tx.us/cmb/cmb/hub.html>, and its HUB Directory, found at <http://www2.cpa.state.tx.us/cmb/hubonly.html>, to identify available HUBs. **Note: Attach supporting documentation (letters, phone logs, fax transmittals, electronic mail, etc.) demonstrating evidence of the good faith effort performed.**
- Provide written notification of the subcontracting opportunity listed in SECTION 3 to a minority or women trade organization or development center to assist in identifying potential HUBs by disseminating the subcontracting opportunity to their members/participants. A list of trade organizations and development centers may be accessed at <http://www.window.state.tx.us/procurement/prog/hub/mwb-links-1/>. **Note: Attach supporting documentation (letters, phone logs, fax transmittals, electronic mail, etc.) demonstrating evidence of the good faith effort performed.**
- Written notifications should include the scope of the work, information regarding the location to review plans and specifications, bonding and insurance requirements, required qualifications, and identify a contact person. Unless the contracting agency has specified a different time period, you must allow the HUBs no less than five (5) working days from their receipt of notice to respond, and provide notice of your subcontracting opportunity to a minority or women trade organization or development center no less than five (5) working days prior to the submission of your response to the contracting agency.

# Notification to Subcontractors

- ❖ Type of Work/service needed
- ❖ The location of the project
- ❖ Bonding and insurance requirements
- ❖ A contact person

NOTE: A minority or woman organization must be contacted as well as three (3) HUBS for each opportunity

# 7. HUB Firms Contacted

- ❖ List all HUBs contacted for the subcontracting opportunity
- ❖ List the Company Name, VID, notification date and indicate if response received from HUB.
- ❖ Remember to attach all supporting documentation (i.e., fax transmittals, letters, phone log)

## SECTION 7 - HUB FIRMS CONTACTED FOR SUBCONTRACTING OPPORTUNITY

List three (3) State of Texas certified HUBs you notified regarding the portion of work (subcontracting opportunity) listed in SECTION 3. Specify the vendor ID number, date you provided notice, and if you received a response. Note: Attach supporting documentation (letters, phone logs, fax transmittals, electronic mail, etc.) demonstrating evidence of the good faith effort performed.

Company Name	VID #	Notice Date (mm/dd/yyyy)	Was Response Received?
_____	_____	____/____/____	<input type="checkbox"/> - Yes <input type="checkbox"/> - No
_____	_____	____/____/____	<input type="checkbox"/> - Yes <input type="checkbox"/> - No
_____	_____	____/____/____	<input type="checkbox"/> - Yes <input type="checkbox"/> - No

# 8. Subcontractor Selection

- ❖ List all the selected subcontractor(s)
- ❖ If Non-HUB selected, provide justification at the bottom of the form

<b>SECTION 8 - SUBCONTRACTOR SELECTION</b>				
List the subcontractor(s) you selected to perform the portion of work (subcontracting opportunity) listed in SECTION 3. Also, specify the expected percentage of work to be subcontracted, the approximate dollar value of the work to be subcontracted, and indicate if the company is a Texas certified HUB.				
Company Name	VID #	Expected % of Contract	Approximate Dollar Amount	Texas Certified HUB?
_____	_____	%	\$	<input type="checkbox"/> - Yes <input type="checkbox"/> - No*
_____	_____	%	\$	<input type="checkbox"/> - Yes <input type="checkbox"/> - No*

\*If the subcontractor(s) you selected is not a Texas certified HUB, provide written justification of your selection process below:

\_\_\_\_\_

\_\_\_\_\_

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# 9. Self Performance Justification

- ❖ If Not SUBCONTRACTING
- ❖ Check Yes or No
- ❖ Provide explanation in space provided

<b>SECTION 9</b>	<b>- SELF PERFORMANCE JUSTIFICATION</b> (If you responded "No" to SECTION 2, you must complete SECTION 9 and 10.)
Does your response/proposal contain an explanation demonstrating how your company will fulfill the entire contract with its own resources?	
<input type="checkbox"/> - Yes	<u>If Yes</u> , in the space provided below, list the specific page/section of your proposal which identifies how your company will perform the entire contract with its own equipment, supplies, materials and/or employees.
<input type="checkbox"/> - No	<u>If No</u> , in the space provided below, explain how your company will perform the entire contract with its own equipment, supplies, materials, and/or employees.
<hr/>	

# 10. Affirmation

- ❖ This section must be signed and submitted with HSP packet and RFP response to be considered responsive

## SECTION 10 - AFFIRMATION

As evidenced by my signature below, I affirm that I am an authorized representative of the respondent listed in SECTION 1, and that the information and supporting documentation submitted with the HSP are true and correct. Respondent understands and agrees that, if awarded any portion of the solicitation:

- The respondent must submit monthly compliance reports (Prime Contractor Progress Assessment Report – PAR) to the contracting agency, verifying their compliance with the HSP, including the use/expenditures they have made to subcontractors. (The PAR is available at <http://www.window.state.tx.us/procurement/prog/hub/hub-forms/progressassessmentrpt.xls>).
- The respondent must seek approval from the contracting agency prior to making any modifications to their HSP. If the HSP is modified without the contracting agency's prior approval, respondent may be subject to debarment pursuant to Gov't Code §2161.253(d).
- The respondent must, upon request, allow the contracting agency to perform on-site reviews of the company's headquarters and/or work-site where services are to be performed and must provide documents regarding staff and other resources.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



# HSP Review

# If Subcontracting

## Complete Sections.....

- 1 – Respondent and Solicitation Information
- 2 – Subcontracting Intentions - **Check “Yes”**
- 3 – Subcontracting Opportunity
- 4 – Mentor Protégé Program - **Optional**
- 5 – Professional Service Contracts Only – **N/A**
- 6 -- Notification of Subcontracting Opportunities
- 7 – HUB Firms Contacted for Opportunities
- 8 – Subcontractor Selection
- 10- Affirmation

# If NOT Subcontracting

## Complete Sections.....

- 1 – Respondent and Solicitation Information
- 2 – Subcontracting Intentions - Check “No”
- 9 – Self Performance Justification
- 10 - Affirmation

# Disqualifying Factors

- ☑ **All supporting documentation must be included with RFP and HSP response by the RFP deadline.**
- ☑ **All Subcontracting categories must be listed on Page 1, Section 2.**
- ☑ **Page 2, Sections 3 through 7 must be completed for each subcontracting opportunity listed on Page 1, Section 2.**

# Disqualifying Factors

- ☑ **Subcontractors must be given five (5) working days from their receipt of notice to respond.**
- ☑ **Minority Organizations must be notified five (5) working days prior to the submission of your response.**

# Disqualifying Factors

Failure to attach supporting documentation demonstrating evidence of the good faith effort performed for all subcontractors contacted **will disqualify the RFP.**

Examples: letters, phone logs, fax transmittals, electronic mail, etc.

# Questions



# Identifying HUBSubcontractors

- **Comptroller Centralized Master Bidders List**
- **<http://www.window.state.tx.us/procurement/cmb1/cmb1hub.html>**
- **Commodity Code 961-05**



# Centralized Masters Bidders List

## Step 1. Enter Class/Item Code

Window on State Government Susan Combs Texas Comptroller of Public Accounts

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Centralized Master Bidders List (CMBL) & Historically Underutilized Business Search

**Note: Search – Select HUBs on CMBL**

**Search:**  
 CMBL only,  HUBs on CMBL,  HUBs not on CMBL  
 HUB Mentor Protege,  All Vendors

**Vendor ID:**  ?

**Vendor Number:**  ?

**Vendor Name:**  Name  ?

**Include Inactive Vendors:**  ? **Small Businesses Only:**  Yes,  No

**Selection 1:** Class Code:  Item:  District:

**Selection 2:** Class Code:  Item:  District:

**Selection 3:** Class Code:  Item:  District:  ?

[Class Code](#), [Item Code](#), [District](#)

# Centralized Masters Bidders List

Step 2. Select the items you would like displayed

**Select Fields For Detail List**

**Output Fields:**

<input type="checkbox"/> VID	<input checked="" type="checkbox"/> CONTACT PERSON	<input checked="" type="checkbox"/> COMPANY NAME	
<input checked="" type="checkbox"/> ADDRESS1	<input checked="" type="checkbox"/> ADDRESS2	<input checked="" type="checkbox"/> CITY	<input checked="" type="checkbox"/> STATE <input checked="" type="checkbox"/> ZIP
<input checked="" type="checkbox"/> PHONE	<input checked="" type="checkbox"/> FAX	<input checked="" type="checkbox"/> EMAIL	<input checked="" type="checkbox"/> GENDER
<input checked="" type="checkbox"/> ETHNICITY	<input type="checkbox"/> FOREIGNADDRESS	<input checked="" type="checkbox"/> BUSINESS DESCRIPTION	
<input type="checkbox"/> CHARTER NUMBER	<input type="checkbox"/> VENDOR URL(home page)	<input type="checkbox"/> HUB MENTOR/PROTEGE	

# Centralized Masters Bidders List

## Step 3. Review List of Subcontractors

### Results for HUBs on CMBL Search

Contact Person	Company Name	Address (line 1)	Address (line 2)	City	State	Phone	Fax Number				
Owner - Amy Jeanne Welton	<a href="#">AMY JEANNE WELTON, ATTORNEY AT LAW</a>	PO BOX 1644		Dripping Springs	TX	830-868-7136	830-868-7318				
Nancy L. Standeford	<a href="#">AQUATEX WATER CONDITIONING, INC.</a>	P O BOX 1756C	2601 LOOP 35 NORTH	Amin	TX	281-331-7777	281-331-5799	on	TX	940-381-5010	940-380-4030
Robert Arias, President	<a href="#">ARIAS &amp; ASSOCIATES, INC.</a>	142 CHULA VISTA		San Antonio	TX	210-308-5884	210-308-5886				
Mary Thompson	<a href="#">CORDER/THOMPSON &amp; ASSOCIATES</a>	700 HARRIS AVENUE		Austin	TX	512-476-5814	512-476-6718				
Owner/LIZ M. Guentner	<a href="#">STRATEGIC ARTS GROUP</a>			P. O. BOX 49162				Austin	TX	512-619-4713	--
Edward Stith	<a href="#">STRATEGIC PARTNERSHIPS INC</a>			6034 WEST COURTYARD DR		SUITE 100		Austin	TX	512-531-3918	512-531-3992

20 vendors found where class code (1) is '961', item code (1) is '05' or 'all' sorted by name. (Inactive vendors listed in italics)

# Questions



**This presentation will be posted  
on the ESBD**



**Thank You**