

# The Historically Underutilized Business Subcontracting Plan

A How-to Guide



# Agenda

- What is a Historically Underutilized Business
- Why we do a HUB Subcontracting Plan
- How to create a HUB Subcontracting Plan



# What is a Historically Underutilized Business (HUB)?

• It 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.



#### What is a HUB?

- It is certified by the State of Texas.
- It is 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.



# Why we do a HUB Subcontracting Plan (HSP)

- Texas State Law.
  - Government Code Chapter §2161.252
  - Administrative Code §20.14
- Demonstrates a "Good Faith Effort" (GFE) to diversify business opportunities.
- Responses that do not include a complete HSP must be rejected.

#### **Quick Checklist**

Use this tool to determine which pages and sections must be completed based on the unique situation and plan of the submitting company.

Fillable Electronic Form at: http://comptroller.texas.gov/procur ement/prog/hub/hub-forms/hub-sbcont-plan--allfms.pdf



#### HUB Subcontracting Plan (HSP)

While this HSP Quick Checklist is being provided to merely assist you in readily identifying the sections of the HSP form that you will need to complete, it is very important that you adhere to the instructions in the HSP form and instructions provided by the contracting agency.

- > If you will be awarding all of the subcontracting work you have to offer under the contract to only Texas certified HUB vendors, complete
  - Section 1 Respondent and Requisition Information
  - Section 2 a. Yes, I will be subcontracting portions of the contract.
  - Section 2 b. List all the portions of work you will subcontract, and indicate the percentage of the contract you expect to award to Texas certified HUB vendors
  - Section 2 c. Yes
  - Section 4 Affirmation
  - GFE Method A (Attachment A) Complete an Attachment A for each of the subcontracting opportunities you listed in Section 2 b.
- If you will be subcontracting any portion of the contract to Tesas certified HUB vendors and Mon-HUB vendors, and the aggregate percentage of all the subcontracting work you will be sever drift to the Texas certified HUB vendors with which you got laves a continuous contract in place for more than the (5) years means or accessed the HUB Goal the contracting agency identified in the "Agency Special instructional/Additional Requirements", complete:
  - Section 1 Respondent and Requisition Information
  - Section 2 a. Yes, I will be subcontracting portions of the contract.
  - Section 2 b. List all the portions of work you will subcontract, and indicate the percentage of the contract you expect to award to Texas certified HUB vendors
  - Section 2 c. No
  - Section 2 d. Yes
  - Section 2 a. res
  - GFE Method A (Attachment A) Complete an Attachment A for each of the subcontracting opportunities you listed in Section 2 b.
- If you will be subcontracting any portion of the contract to Texas certified HUB vendors and Non-HUB vendors or only to Non-HUB vendors, and the aggregate percentage of all the subcontracting work you will be awarding to the Texas certified HUB vendors with which you do not have a contracting contract in place for more than W (s) years goes not meet or accessed the HUB Goal the contracting agency identified in the "Agency Special instructional Additional Requirements", complete:
  - Section 1 Respondent and Requisition Information
  - Section 2 a. Yes. I will be subcontracting portions of the contract.
  - Section 2 b. List all the portions of work you will subcontract, and indicate the percentage of the contract you expect to award to Texas certified HUB vendors
  - Section 2 c. No
  - Section 2 d. No
  - Section 4 Affirmation
  - GFE Method B (Attachment B) Complete an Attachment B for each of the subcontracting opportunities you listed in Section 2 b.
- If you will not be subcontracting any portion of the contract and will be fulfilling the entire contract with your own resources (i.e., employees supplies, materials and/or equipment, including transportation and delivery), complete:
  - Section 1 Respondent and Requisition Information
  - Section 2 a. No, I will not be subcontracting any portion of the contract, and I will be fulfilling the entire contract with my own resources
  - Section 3 Self Performing Justification
  - Section 4 Affirmation

Continuous Contract: Any existing written agreement (including any renewals that are exercised) between a prime contractor and a HUB vendor, where the HUB vendor provides the prime contractor with goods or service, to include transportation and delivery under the same contractor with goods or service, to include transportation and delivery under the same contracted for a specified period of firm. The frequency the HUB vendor is utilized or paid during the term of the contract is not relevant to whether the contract is considered continuous. Two or more contracts that run concurrently or overlap one another for different periods of time are considered by CPA to be individual contracts in such situations and HUB vendor are to such situations to the original contract. In such situations the prime contracted HUB vendor are

### Page 1

- Contains the HUB goals established by the State of Texas.
- Please ensure Section 1 is completed thoroughly and accurately.
- Note: UNT System HUB Area will verify the Vendor ID and HUB status of the submitting company.



#### **HUB Subcontracting Plan (HSP)**

In accordance with Texas GovT Code §2161 282, the contracting agency has determined that subcontracting opportunities are probable under this contract. Therefore, all respondents, including State of Texas certified Historically Underdulized Businesses (HUBs) must complete and submit this State of Texas HUB Subcontracting Plan (HSP) with their response to the bid requisition (solicitation).

#### NOTE: Responses that do not include a completed HSP shall be rejected pursuant to Texas 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 2009 State of Texas Disparity Study. The statewide HUB goals defined in 34 Texas Administrative Code (TAC) §20.13 are:

- 11.2 percent for heavy construction other than building contracts,
- · 21.1 percent for all building construction, including general contractors and operative builders' contracts
- 32.9 percent for all special trade construction contract
- 23.7 percent for professional services contracts,
- · 26.0 percent for all other services contracts, and
- 21.1 percent for commodities contracts

Agency	Snecial	Instructions/Addit	ional Requireme	mt

In accordance with 34 TAC §30.14(0)(1)(D)(III), a respondent (prime contractor) may demonstrate good fath effort to utilize Texas certified HIBSs for its subcontracting opportunities if the total value of the respondent's subcontracts with Press certified HIBS meets or exceeds the statewise HIBS good or the agency will be subcontract. The subcontract is the Texas certified HIBS to a state of the contract is the Texas certified HIBS to a state of the contract is the Texas certified HIBS to a state of the contract is the Texas certified HIBS to a state of the contract is the subcontracted to the HIBSs with which the respondent does not have a continuous contract? In place for more than these (SI years shall quality for meeting the HIBS good. This limitation is designed to encourage vendor rotation as recommended by the 2000 Texas Disparity Study.

SECTIONS: RESPONDENT AND REQUISITION INFORMATION	
a. Respondent (Company) Name:	State of Texas VID #:
Point of Contact:	Phone #:
E-mail Address:	Fax#:
b. Is your company a State of Texas certified HUB? □ - Yes □ - No	· · · · · · · · · · · · · · · · · · ·
C. Requisition #:	Bid Open Date:

## Page 2

- Declare all subcontracting opportunities on this page.
- List by opportunity type, not by vendor name (that comes later).
- The choices at the bottom will determine which "Method" the submitting company will use to demonstrate a GFE.
- There is an addendum page to use if the submitting company identifies more than 15 subcontracting opportunities.

		Rev_09/15
Enter yo	ur company's name here:	Requisition #.

#### SECTION-2: RESPONDENT'S SUBCONTRACTING INTENTIONS

After dividing the contract work into reasonable lots or portions to the eatent consistent with prudent industry practices, and taking into consistent on the scope of wor to be performed under the proposed contract, including all potential subcontracting opportunities, the responsivent must determine what portions or work, including contracted staffing, goods, services, transportation and delivery will be subcontracted. Note in accordance with 34 TAC 50.011, a "Subcontractor" means a serious who contracts with a prime contractor to work, to subusy commodities or to contribute toward consistent work or a overenment law.

a. Check the appropriate box (Yes or No) that identifies your subcontracting intentions

Yes, I will be subcontracting portions of the contract. (If Yes, complete Item b of this SECTION and continue to Item c of this SECTION.)

Mo, I will not be subcontracting any portion of the contract, and I will be fulfilling the entire contract with my own resources, including employees, goods services, transportation and delivery. (If Mo, continue to SECTION 3 and SECTION 4.)

b. List all the portions of work (subcontracting opportunities) you will subcontract. Also, based on the total value of the contract, identify the percentages of the contract

	•	HUBs					
Rem #	Subcontracting Opportunity Description	Percentage of the contract expected to be subcontracted to HUBs with which you do not have a continuous contract. In place	Percentage of the contract expected to be subcontracted to HUBs with which you have a continuous contract* in place for	Percentage of the contract expected to be subcontracted to non-HUBs.			
1		%	%	%			
2		%	%	%			
3		%	%	%			
4		%	%	%			
5	•	%	%	%			
6		%	%	%			
7		%	%	%			
8		%	%	%			
9		%	%	%			
10		%	%	%			
11	·	%	%	%			
12		%	%	%			
13	·	%	%	%			
14		%	%	%			
15	·	%	%	%			
T	Aggregate percentages of the contract expected to be subcontracted:	%	%	%			

c. Check the appropriate box (Yes or No) that indicates whether you will be using <u>only</u> Texas certified HUBs to perform <u>all</u> of the subcontracting opportunitie your <u>indicates</u> in SECTION 2, Item b.

- y s (If Yes, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method A (Attachment A)" for each of the subcontracting opportunities you listed

- A (If No, continue to Item d, of this SECTION.)

d. Check the appropriate box (Yes or No) that indicates whether the aggregate expected percentage of the contract you will subcontract with Texas certified HUBs with which you do not have a continuous contract in place with for more than five (5) years, meets or exceeds the HUB goal the contracting agency is sufficient to the 1 in the "According Additional Reconstructed."

- ) s (if Yies, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method A (Attachment A)" for <u>each</u> of the subcontracting opportunities you isled.

A (if No, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method B (Attachment B)" for <u>each</u> of the subcontracting opportunities you isled.)

"Continuou Contract Any existing written agreement (including any renewals that are awarched) between a prime contractor and a NUB vendor, when the NUB vendor provides the prime contractor with goods or service, to include transportation and delivery under the assert expression and the prime contractor with goods or service, to include transportation and soldway under the assert as specified period of time. The frequency the NUB vendor is utilized or paid during the term of the contract in not relevant to whether the contracts considered continuous. Two or more contracts that run concurrently or overlap one another for different periods of time are considered by CPA it be individual contracts arther than movemals or extensions to the original contract. In such alterations the prime contractor and NUB vendor are

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### Page 3

- If the submitting company is not subcontracting any of the work, they must explain how the company will perform the entire contract with its own employees, materials, etc.
- The designated representative of the submitting company will read and affirm the contractual obligations within the HSP by signing in the space below.
- This should be signed by a senior employee familiar with the project.

	TIONS SELF PERFORMING JUSTIFICATION (If you responded "No" to SECTION 2, Item a, you must complete this SECTION and continue to SECTION 4
	responded "No" to SECTION 2, Item a, in the space provided below explain how your company will perform the entire contract with its own employees, es, materials and/or equipment, to include transportation and delivery.
_	TION4: AFFIRMATION
	idenced by my signature below, I affirm that I am an authorized representative of the respondent listed in SECTION 1, and that the information and rting documentation submitted with the HSP is true and correct. Respondent understands and agrees that it awarded any portion of the requisition:
	The respondent 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. The notice must specify at a minimum the contracting aperposit, name and its point of contact for the contract, the contract may not make the subcontracting opportunity they (the subcontractor) will perform, the approximate doltar value of the subcontracting opportunity and the expected percentage of the botal contract that the subcontracting opportunity represents. A copy of the notice required by this section must also be provided to the contract point of contact for contract any articles.
	The respondent must submit monthly compliance reports (Prime Contractor Progress Assessment Report – PAR) to the contracting agency, verifying its

- If you responded "Yes' to SECTION 2, Items c or d, you must complete an "HSP Good Faith Effort Method A (Attachment A)" for each the subcontracting opportunities you listed in SECTION 2, Item b.
- If you responded "No" SECTION 2, Items c and d, you must complete an "HSP Good Paith Effort Method B (Attachment B)" for each of the subcontracting opportunities you listed in SECTION 2, Item b.

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#### Attachment A

- Used if the submitting company intends to use only Certified HUBs or if they meet the State's HUB goals.
- One page per subcontracting opportunity.
- The sum of these percentages must match the percentages listed on Page 2 for each opportunity.
- Note: UNT System HUB Area will verify the current HUB status and Vendor ID of all subcontractors.

#### HSP Good Faith Fffort - Method A (Attachment A) any's name here: \_\_\_\_\_\_ Requisition #: \_\_\_\_\_\_

Method A (Attachment A)\* for <u>each</u> of the subcontracting opportunities you listed in SECTION 2, Item b of the completed HSP form. You may photo-copy this page or download the form at http://window.state.bu.us/brocurement/proof/bub/bb-forms/bub-sbcont-plan-ofe-achm-a.pdf

#### SECTION A-1: SUBCONTRACTING OPPORTUNITY

Enter the item number and description of the subcontracting opportunity you listed in SECTION 2, Item b, of the completed HSP form for which you are complete the attachment.

#### - Description

List the subcontractor(s) you selected to perform the subcontracting opportunity you fisted above in SECTION A-1. Also identify whether they are a Texas certified HUB and their Texas Vendor Identification (VIO) Number or federal Employer Identification Number (EIN), the approximate dottar value of the work to be subcontracted, and the expected percentage of work to be subcontracted. When searching for Texas certified HUBs and verifying their HUB status, ensure that you use the State of Texas' Centralized Master Bidders List (CMIQL)-Historically Undertified Business (HUB) Directory Search located at

	http://mycpa.cpa.state.tx.us/tpasscmblsearch/index.isp. HUB status code "A" signifies that the company is a Texas certified HUB.					
ſ	Company Name	Texas certified HUE	Texas VID or federal EIN Do not enter Social Security Numbers. If you do not know thair VID / EIN, leave their VID / EIN field blank.	Approximate Dollar Amount	Expected Percentage of Contract	
ı		- Yes - No		\$	%	
ı		- Yes - No		\$	%	
ı		-Yes - No		\$	%	
ı		-Yes -No		\$	%	
L		- Yes - No	·	\$	×	
		- Yes - No		\$	%	
		- Yes - No		\$	*	
		- Yes - No		\$	*	
		-Yes -No		\$	%	
		-Yes -No		\$	%	
		-Yes -No		\$	%	
		-Yes -No		\$	%	
		-Yes -No		\$	%	
		-Yes -No		\$	*	
		-Yes -No		\$	%	
		-Yes -No		\$	*	
		-Yes -No		\$	%	
		- Yes - No		\$	*	
		- Yes - No		\$	%	
		- Yes - No		\$	%	
		-Yes -No		\$	%	
		-Yes - No		\$	%	
		- Yes - No		\$	*	

REMINDER: As specified in SECTION 4 of the completed HSP tom, it you (respondent) are awarded any portion of the requisition, you are required to provide notice as soon as practical to all the subcontractors (HJBS and Non-HJBS) of their selection as a subcontact. The notice specify at an initimum the contracting agency's name and its point of contact for the contract, the contract award number, the subcontracting opportunity (the subcontractory will perform, the prominants obtain value of the subcontracting opportunity and the expected percentage of the total contact that the subcontracting hyperimanity represents. A copy of the notice required by this section must also be provided to the contracting agency's point of contact for the contract on later than len (10) working days after the contract is warder.

Page 1 of 1 (Attachment A)

#### Attachment B

- Used if the submitting company intends to use any non-HUB businesses or if they do not meet the State's HUB goals.
- One page per subcontracting opportunity.
- Minimum of 3 HUB Vendors and 2 related trade organizations
- Note: UNT System HUB Area will verify the current HUB status and Vendor ID of all subcontractors.

#### 

HSP Good Faith Effort - Method B (Attachment B)

Page 1 of 2 (Attachment B)

assist in identifying potential HUBs by disseminating the subcontracting opportunity to their membersplanticipants. Unless the contracting agency specified different time period, you must provide your subcontracting opportunity notice to trade organizations or development centers <u>at least seven (7) working dans</u> prior submitting your bit response to the contracting agency. A list of trade organizations and development centers that have expressed an interest in receiving most

d. List two (2) trade organizations or development centers you notified regarding the subcontracting opportunity you listed in SECTION B-1. Include the distance of the contraction of the con

of subcontracting opportunities is available on the Statewide HUB Program's webpage at http://www.window.state.tx.

when you sent notice to it and indicate if it accepted or rejected your notice

HSP Good Faith Effort - Method B (Attachment B) Cont

## Attachment B (pg 2)

- The submitting company will show the selected vendor.
- Complete justification as to why a HUB vendor was not selected must be listed
- The sum of these percentages must match the percentages listed on Page 2 for each opportunity.
- Note: UNT System HUB Area will verify the current HUB status and Vendor ID of all subcontractors.

Enter your company's name here:			Requisition #	t	
SECTION EST SUBCONTRACTOR SELECTION  Enter the item number and description of the subcontracting opportunity you listed in SECTION 2, Item b, of the completed HSP from for which you are completing					
a. Enter the item number and description of the subcontracting opportunity is     Item Number: Description:	r which you a	re comple	ting this Attachment B conti	nuation page.	
b. List the subcontractor(s) you selected to perform the subcontracting open HUB and their Texas Vendor Identification (VID) Number or federal En- subcontracted, and the expected percentage of work to be subcontracted you use the State of Texas' Centratzeel Misster Biddeen List (C http://mco.ac.state.tu.eduscomblesex/histor.do. HUB status code	nplioyer Identi I. When searci MBL) - Hist	fication N ning for To prically U	umber (EIN), the approxim exas certified HUBs and ve Inderutilized Business (H	ate dollar value of rifying their HUB sta UB) Directory Sea	the work to be atus, ensure that
Company Name	Texas certif	led HUB	Texas VID or federal EIN Do not enter Sodial Security Numbers. If you do not loose their VID / EIN, leave their VID / EIN field blank.	Approximate Dollar Amount	Expected Percentage of Contract
	- Yes	-No		\$	%
	- Yes	-No		\$	%
	- Yes	-No		\$	%
	- Yes	-No		\$	*
	- Yes	-No		\$	*
	- Yes	-No		\$	%
	- Yes	-No		\$	*
	- Yes	- No		\$	*
	- Yes	- No		\$	*
	- Van	- No		\$	· ·
<ul> <li>If any of the subcontractors you have selected to perform the subcontracti justification for your selection process (attach additional page if necessary</li> </ul>		you listed	in SECTION B-1 is <u>not</u> a	Texas certified HU	B, provide <u>writter</u>

# HUB Subcontracting Opportunity Notification

- Only one of the many options for distributing information.
- All methods of distributing information must provide complete information.
- Respondents have 7 working days to respond.
- All contact information must be accurate.

# HUB Subcontracting Opportunity Notification Form In accordance with Teas Gov/Lode, Chapter 2161, each state agency that considers retiring into a contract with an expected usule of \$100,000 or more shall, believe to approxy solded lists, proporately, lesser, or other applicated expressions of internet, obtaminate importunities are probable under the contract the adjectory I have identified below in Section B has determined that subconflucting opportunities are probable under the requisition to which my company will be responding. 34. Teass Administrative Code, \$00.14 requires all responders (prime contractors) bidding on the contract to provide notice of each of their subcontracting opportunities, but all states there (3) Teast certified HUBs (which wont within the respective industry applicable to the subcontracting opportunity, and allow the HUBs tastes ent (7) underlined the subcontracting opportunities.

Administrative code, 320.11(19)(c).

We respectfully request that yendors interested in bidding on the subcontracting opportunity scope of work identified in Section C. Hern 2, reply no later than the date and firm

identified in Section C, Item 1.5	Submit your response to the point-of-co	ontact referenced in Section A.				
SECTION: A PRIME CO	NTRACTOR'S INFORMATION					
Company Name:			State of 1	Texas VID #:		
				Phone #:		
E-mail Address:				Fax #:		
econou. e como co	TING STATE AGENCY AND RE					
SECTION: B CONTRACT	ING STATE AGENCY AND RE	QUISITION INFORMATION				
Point-of-Contact:				Phone #:		
Requisition #:			Bid (	Open Date:		
				(mmlddlyyyy)		
OLOHOR. O MANAGAMIN	MOTING OFF ORTONITE RESI	ONGE DOEDATE, DEGON	HON, NEWOINEMENTO A	ID RECATED INFORMATION		
1. Potential Subcontracto	or's Bid Response Due Date:					
If you would	d like for our company to consider	our company a bid for the sub	contracting opportunity toerun	earbelow Item 2,		
we n	nust receive your bid response no	ter than	on			
1		Central Time	Date (mm/dd/yyyy)			
seven (7) working days to r submitting our bid respons or development centers (in Service Disabled Veteran) (A working day is consider by its executive officer. Th	In accordance with 34 TAC \$20.14, each notice of subcontracting opportunity shall be provided to at least three (3) Texas certified HUEs, and allow the HUEs at least seven (7) working days to respond to the notice prior to suitanting our pile response to the contracting agency, in addition, at least seven in-working days provided to the notice prior to suit or development center. (In Texas) that severa members of proups (8.4, Asian Pacific American, Black American, Huspanic American, Native American, Wilman, Service Disabled Veleran) Memberdood Treast Administrative Code, \$20.11 (19) (19).  (As working day is considered a normal fusitions of the seven (7) of salest agency, not including weekends, federal or state holidays, or days the agency is declared closed by the excellent effect. The falls day the subconducing approached home is a sufferior for the fall of the Tuest and to the fraid organizations or development centers is considered to be "May zero" and does not count as one of the seven (7) working days.)					
2. Subcontracting Opport	unity Scope of Work:					
3. Required Qualifications	E			- Not Applicable		
4. Bonding/Insurance Red	uirements:			- Not Applicable		
5. Location to review plan	a/apecifications:			- Not Applicable		



#### How to Find HUB Vendors

- Visit the States of Texas "Centralized Master Bidders List" at:
  - https://mycpa.cpa.state.tx.us/tpasscmblsearch/index.jsp
- Contact associated trade organizations:
  - Tri-County Regional Hispanic Chamber
    - http://www.tricountyrhchamber.org/
  - Regional Black Contractors Association
    - www.blackcontractors.org
  - Women's Business Council –Southwest
    - http://www.wbcsouthwest.org/
  - DFW Minority Supplier Development Council
    - http://dfwmsdc.com/
  - US Pan Asian American Chamber –Southwest
    - http://uspaacc-sw.org/



## Possible Reasons for Rejection

- Not signed.
- Included in the same envelope as the bid.
- Company information incorrect/incomplete.
- Not justifying the failure to meet State HUB usage goals.
- If self-performing, not providing required information.
- Section 2 does not match Methods "A" or "B".
- Respondents not allowed 7 working days.
- HUBs and minority chamber not contacted.
- No documentation showing "GFE".
- Missing any information that the UNT System HUB Area is not allowed to fill in for the submitting company.



#### Remember...

- The submitting company's HSP is a binding document.
- Contract language requires the submitting company to abide by the terms of the original HSP.
- The HSP can be revised only with the consent of the UNT System HUB Area. The same "GFE" requirements will apply.

#### UNT SYSTEM<sup>®</sup>



#### Assistance is Available

- Kimmalla Mitchell, HUB Specialist
- Terri Miller, HUB Specialist
- Greg Obar, Associate HUB Coordinator
- Joey Saxon, HUB Coordinator
- Telephone: 940.369.5500
- Email: <u>hub@untsystem.edu</u>
- Web: www.hub.untsystem.edu
- Fillable Electronic Form at: <a href="http://comptroller.texas.gov/procurement/prog/hub/hub-forms/hub-sbcont-plan--allfms.pdf">http://comptroller.texas.gov/procurement/prog/hub/hub-forms/hub-sbcont-plan--allfms.pdf</a>