



Procurement and Contracts

Historically Utilized Businesses Program

Operations Manual

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Teacher Retirement System
Procurement and Contracts
Historically Underutilized Business Program
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Section 1: Overview

1. Mission

The mission of the HUB program is to assist historically underutilized businesses (HUBs) through outreach efforts, such as education and training in doing business with the State of Texas, in order to afford these businesses a fair opportunity to participate in the competitive procurement process.

2. Purpose

To guide making a good faith effort to utilize Historically Underutilized Businesses (HUBs) for services and commodity contracts.

This manual:

- i. Covers the Statewide HUB Program statute and administrative rules that TRS must adhere to in administering its HUB Program
- ii. Establishes the framework, execution, administration, and management of the TRS HUB Program
- iii. Defines the procedures and staff responsibilities for each process administered by the TRS HUB staff

A. Texas Government Code 2161.062

Per Texas Government Code 2161.062, TRS is required to designate a staff member to serve as the Historically Underutilized Businesses (HUB) Coordinator for the agency during the fiscal year. The procurement director may serve as the coordinator.

In addition to any other responsibilities, the HUB coordinator shall:

1. Coordinate training programs for the recruitment and retention of historically underutilized businesses
2. Report required information to the Comptroller
3. Match historically underutilized businesses with key staff within the agency

TRS is comprised of, at minimum, one HUB Coordinator and one Assistant HUB Coordinator (HUB staff) with the responsibility associated with HUB activities which include the following components:

1. Planning (policy and best practices)

2. Outreach (technical assistance and training)
3. Mentor Protégé Program
4. Subcontracting (compliance)
5. Reporting

The HUB staff communicates and shares information on HUB-related matters to TRS Executive Management and business units. In addition, the HUB staff will advise and assist TRS staff in complying with the requirements of the Texas Government Code 2161.

This manual illustrates the procurement and contracting process as a cycle through the Procurement and Contracts HUB Program. It defines the procedures and staff responsibilities for each phase of the cycle, including:

1. Participation in procurement planning kick-off meetings
2. Receipt and review of draft solicitations for subcontracting determination
3. Training on HUB Subcontracting Plan (HSP) requirements at Pre-Proposal Conferences
4. HSP evaluation of proposals
5. Advise vendor population of HSP submissions
6. Final determinations and findings for HSP compliance
7. Monitoring and compiling Progress Assessment Report (PAR) data
8. Processing HSP change requests

B. State of Texas HUB Program Overview

The purpose of the State of Texas HUB Program is:

1. To promote full and equal business opportunities for all businesses
2. Determining subcontracting opportunities for procurements with an estimated maximum contract value of \$100,000 or greater.

The [Texas Statewide HUB Program](#) is a component of the [Texas Procurement and Support Services Division](#) of the Texas Comptroller of Public Accounts (CPA). The CPA Statewide HUB Program is charged with:

1. Writing the administrative rules that govern the State of Texas HUB Program
2. Certifying eligible businesses as HUBs
3. Maintaining HUB compliance for eligible HUBs

3. Statutory Authority

State of Texas law gives the HUB staff statutory authority to implement the HUB Program on behalf of TRS. The following statutes and rules, respectively, establish the State of Texas HUB Program requirements:

- i. [Texas Government Code, Title 10, Subtitle D, Chapter 2161](#); and
- ii. [Title 34, Texas Administrative Code, Part 1, Chapter 20, Subchapter B](#).

In accordance with [Texas Government Code §2161.181-182](#), state agencies shall make a good faith effort to utilize HUBs in contracts for construction, services, including professional and consulting services, and commodity contracts.

TRS has adopted the CPA HUB Rules by reference, as their own rules, in accordance with [Texas Government Code §2161.003](#), which encourage the use of HUBs by implementing these policies through race-ethnic and gender-neutral means.

In accordance with [Texas Administrative Code, Title 34, §20.13](#), TRS shall make a good faith effort to assist HUBs in receiving a portion of the contract value of contracts that the agency expects to award in a fiscal year in accordance with [goals](#) that are approved annually by the TRS Board of Trustees.

It is the policy of TRS to accomplish these goals either through contracting directly with HUBs, either through a competitive or non-competitive process; or indirectly through subcontracting opportunities. Under TRS policy, these goals are related to contracts with an expected value of more than \$100,000 over the contract's life (including any renewals), and whenever practical, in contracts \$100,000 or less.

4. HUB Eligibility and Certification

Per Texas Government Code [§2161.001](#), a HUB is defined as:

- i. A business formed for the purpose of making a profit
- ii. Has its principal place of business in Texas
- iii. Is at least 51% owned by an Asian Pacific, Black, Hispanic, Native American, woman, or Service Disabled Veteran
- iv. Has an owner residing in Texas with a proportionate interest that actively participates in the control, operations, and management of the entity's affairs

Applicants seeking certification as a HUB are required to submit a completed HUB certification application and supporting documentation to the CPA. If approved by the CPA, certification is granted for up to four years.

A HUB business is considered graduated from the HUB Program when it has exceeded the size standards prescribed by [Texas Administrative Code, Title 34, §20.23](#)

Section 2: TRS HUB Program

1. Policy and Compliance

TRS maximizes HUB inclusion and participation by establishing policies, procedures, and guidelines associated with consistent administration of the application, review, approval, tracking, and performance reporting/monitoring of all HUB Program activities of TRS in accordance with [Texas Government 2161.003](#) and Texas Administrative Code, Title 34, [§20.11](#), [§20.15](#), and [§20.26](#).

2. Roles and Responsibilities

The HUB staff is responsible for providing direction and consultation on all HUB Program initiatives; in addition to the administration and oversight of:

- i. HUB policies and procedures
- ii. Assist with potential HUBs with HUB certification
- iii. Subcontracting compliance as it relates to solicitations/contracts
- iv. HUB Approval of HUB Subcontracting opportunities (EPSO)
- v. Internal and external HUB outreach events
- vi. Memorandum of Understandings between the HUB Program and outside entities
- vii. Mentor Protégé Program
- viii. HUB reporting

Section 3. HUB Program Review and Evaluation Cycle

1. Policy and Compliance

The evaluation and determination of procurements \$100,000 or more over the life of the contract (including any renewals) where subcontracting opportunities are probable, and monitoring of all contracts that include a HUB Subcontracting Plan (HSP), is a requirement in accordance with [Texas Government Code §2161.252 and 2161.253](#) and HUB Rules 34 TAC, [§20.13](#), [§20.14](#), and [§20.16](#).

2. Overview

The purpose of this section is to provide an overview of the HUB Coordinator/Administrator initiative during the procurement phase and contract administration phase.

3. Participation in Procurement Planning (Kick- off) Meetings

During the development of a new solicitation, the HUB staff is invited to participate in the procurement planning (kick-off) meetings coordinated by the Procurement and Contracts procurement professional to:

- i. Discuss the goods and/or services associated with the solicitation
- ii. Ensure compliance with all HUB Program requirements and initiate the discussion to determine the probability for subcontracting
- iii. Work with the procurement professional to help determine which NIGP codes will be referenced in the solicitation so that potential subContractors may be notified

The following topics are discussed during the procurement planning (kick-off) meeting by all stakeholders:

- i. Background and overview of the procurement
- ii. Roles and responsibilities
- iii. Procurement steps and timeline
- iv. Procurement method determination
- v. Ethics
- vi. Resulting contracts

4. Receipt and Review of the Evaluation of Potential Subcontracting Opportunities (EPSO)

During the initial phase of the procurement (i.e., solicitation, bid, etc.) the procurement professional assigned to the procurement shall let the HUB staff know of solicitations that are \$100,000 or more. The HUB staff will review the PAVES requisition and EPSO information. They will enter the appropriate HUB goals and certify the review of the subcontracting opportunities.

A. Evaluation of Potential Subcontracting Opportunities

During the initial phase of the procurement (i.e., solicitation, bid, etc.) the procurement

professional assigned to the procurement shall let the HUB staff know of solicitations that are \$100,000 or more. The HUB staff will review the PAVES requisition and EPSO information. The HUB staff will enter the appropriate HUB goals and certify the review of the subcontracting opportunities by following the steps outlined below:

1. Examine the scope of work to be performed under the proposed contract and determine if it is likely that some of the work may be performed by a subContractor
2. Researching the Centralized Master Bidders List (CMBL), the HUB Directory, the internet, and other directories identified by the CPA to locate HUBs that may be available to perform the contract work
3. Inform the procurement professional if respondents are to submit completed HUB subcontracting plans with their solicitation responses
4. Reviews and evaluates HUB subcontracting plans during the administrative review of received proposals
5. Monitor approved HUB subcontracting plans and Progress Assessment Reports (PAR) forms during the contract's life

In addition, the Evaluation of Potential Subcontracting Opportunities may include, but is not limited to:

1. Contacting other state and local agencies and institutions of higher education (i.e., universities, etc.) to obtain information regarding similar contracting and subcontracting opportunities
2. Reviewing the history of similar agency procurements

The determination of subcontracting opportunities will be maintained on the PAVES requisition and retained and maintained as part of the electronic procurement file according to the TRS approved retention schedule.

B. Review of Final Draft Solicitation for HUB Compliance

The procurement professional will review the final draft solicitation to ensure that the final solicitation document reflects the initial determination and that it complies with HUB requirements by:

1. Including the HUB utilization goal
2. Stating that a failure to submit the HSP will disqualify the response if the respondent is subcontracting any portion of the work
3. Providing a link to the CMBL/HUB Directory;

C. Pre-proposal Conferences

TRS conducts a pre-proposal conference, which is hosted by the Procurement and Contracts procurement professional, to allow vendors the opportunity to receive information on a solicitation and bid/proposal requirements. A pre-proposal conference is recommended for all solicitations that include the requirement for a HSP. The HUB staff is responsible for explaining and familiarizing the vendor participants with the HUB Program requirements as it relates to the solicitation.

Information provided by the HUB staff during the pre-proposal conference include the:

1. HUB Subcontracting Plan (HSP)
2. HSP Quick Checklist
3. HUB requirements section of the solicitation
4. HSP Prime Contractor Progress Assessment Report (PAR)

If an HSP is required with the response, the vendor participants are informed that responses that do not contain a completed HSP, or contain an HSP that the HUB staff determines was not developed and submitted in good faith, shall be disqualified per [Texas Government Code §2161.252\(b\)](#) and that response will not advance to the evaluation phase of the solicitation.

Should any HUB questions need to be answered following the pre-proposal conference, the HUB staff will coordinate responses through the procurement professional to post answers to the questions on the Electronic State Business Daily (ESBD) under the solicitation for all respondents to view.

5. HSP Review and Evaluation

After the closing date of the solicitation, the procurement professional shall provide the HUB staff with a copy of each bid/proposal response and submitted HSP that is received for review and evaluation. The HUB staff may clarify any information with the respondents as it relates to the submitted HSP.

An HSP must demonstrate that the respondent made a good faith effort to comply with statute, rules, and TRS HUB policies and procedures.

The HUB staff will use form HUB Subcontracting Plan Review and Evaluation Form to evaluate the respondent's HSP. The HUB staff requires a minimum of five (3) business days to review bids/proposals and make their determination. Additional time may be required when requests for clarification regarding a respondent's HSP are necessary. The HUB staff will document HSP findings and conclusions on the prescribed form, which

will become part of the procurement file.

In the best of all possible worlds, the HSP review occurs **prior** to the Technical Reviews, but this is not always possible due to tight timelines. In the case of the technical reviews occurring simultaneously with the HSP reviews, the procurement professional will let the evaluation team know that the HUB staff has not completed their "due diligence," and one or more of the proposals may be removed from further consideration if their HSPs do not show that a "good faith effort" was made.

D. Self Performing Vendors

If the responding vendor is "Self-Performing," the HSP may include additional information about how the respondent performs the work. The HUB staff will make sure that there is no mention of "strategic partners" or "affiliates" in the response, which may conflict with their self-performance statement. When in doubt, the HUB staff may ask the respondent for clarification. Sometimes respondents do not think of "strategic partners" as subContractors, but they are according to the State definition.

E. HSP Request for Clarification

In accordance with [Texas Administrative Code Title 34, §20.14](#), revisions necessary to clarify and enhance information submitted in the original HSP may be made to determine the respondent's "good faith effort."

During the respondent's HSP evaluation, should further clarification be needed, the HUB staff will document its findings.

Requests for clarification will be sent to the respondent by the HUB staff. Unless otherwise stated, the respondent must provide the requested information necessary to complete the review of the HSP within twenty-four (24) hours from the date the respondent receives the request. If necessary, the HUB staff may request a conference with the respondent to ensure that the requested information is clearly understood.

All clarifications to the respondent must be in writing, and the procurement professional must be cc'd on all communication.

F. Final HSP Determination and Finding for HSP Compliance

After reviewing the HSP and any additional information obtained through any requests for clarification, the HUB staff renders a final HSP determination. The HUB staff

documents HSP evaluation findings and conclusions on the prescribed form and sends it to the procurement professional to be filed in the procurement file.

6. Contract Execution

The procurement professional notifies the HUB staff of the final contract award. Upon receipt of notification of the final award, the HUB staff will send an e-mail to the subContractors listed on the approved HSP that a contract has been awarded.

The contract manager for that executed contract may set up a Post Award Meeting. A Post Award Meeting is encouraged with all Contractors regardless of whether or not the Contractor uses subContractors. When necessary, the HUB staff may participate in the post-award meeting.

Post Award Meeting participants include the:

- i. Contractor
- ii. Contract Manager
- iii. P&C procurement professional (optional)
- iv. HUB staff (optional, highly recommended if an HSP is included in the contract)

The HUB staff may provide the following information during the Post Award Meeting:

- i. HUB compliance responsibilities as it pertains to the contract
- ii. Notification of changes in subContractors process
- iii. Monthly reports and payment activity process
- iv. Due date(s) of the HUB HSP Prime Contractor Progress Assessment Reports (PAR)
- v. Overview of HUB reporting requirements
- vi. Related contractual requirements

7. Progress Assessment Report (PAR)

The HSP requirements are effective for the life of the contract to maximize the inclusion of HUBs whenever possible.

The HUB HSP Progress Assessment Report (PAR) is a monthly report submitted by the Contractor during the term of the contract. The HUB staff uses the PAR to monitor the Contractor's subcontract utilization, based off the Contractor's HSP, and to maintain compliance in accordance with [Texas Administrative Code Title 34, §20.14 \(f\) \(1\)](#). The PAR is submitted through PAVES to the HUB staff and maintained in the contract file. Contract managers will coordinate with the HUB staff to ensure compliance with the HUB

Subcontracting Plan requirements of contracted vendors.

The HUB staff shall monitor and audit the Contractor's PAR form to determine if the subcontracting utilization meets or exceeds the Contractor's good faith efforts as specified in the contract.

If the Contractor fails to meet the HUB requirements, the HUB staff shall contact the contract manager, Director of Procurement and Contracts, and the Contractor to discuss any deficiencies. The Contractor will be given an opportunity to submit documentation and provide an explanation for failure to comply with its "Good Faith Effort" in accordance with [Texas Administrative Code Title 34, §20.14](#).

DIR contracts include HUB reportable expenditures. There are two types of DIR purchases. The HUB staff will work with the procurement professional to ensure that the DIR contracts containing HUB subcontracting plans are properly monitored. DIR awarded vendors with HSPs must also submit a monthly PAR form to the agency utilizing its products or services.

Please note: All Contractors that are awarded a contract with the HSP requirement are required to submit a monthly PAR in compliance with their HSP regardless of whether or not subContractors are used, or the Contractor performs all the work with its own resources (e.g., employees, equipment, supplies, materials, etc.)

Ancillary expenditures (rent, utilities, etc.), related to the cost of doing business according to the contract may not be viable subcontracting opportunities that should be reported.

8. Contractor HSP Change Request

Should the Contractor anticipate changes to the approved HSP during the contract term, the Contractor must submit a revised HSP and a written request to change to the original HSP.

Contractors requesting changes to the approved HSP during the contract term shall submit proposed changes to the contract manager and the HUB staff for review and approval before a subcontract can perform any work, per [Texas Administrative Code Title 34, §20.14 \(g\) \(2\)](#).

If the Contractor subcontracts any additional subcontracting opportunities without prior authorization and without complying with the HSP, the Contractor may be deemed to have breached the contract and be subject to any remedial actions provided by [Texas](#)

[Government Code, Chapter 2161](#), state law, and the HUB section of the contract's terms and conditions. TRS will report nonperformance relative to its contracts to the CPA in accordance with [TAC, 34, Chapter 20, Subchapter C, Rule 20.108](#) (relating to the Vendor Performance and Debarment Program).

Contractors who indicated in their original HSP their intent to "self-perform" all of the contract work using their own equipment, supplies, materials and/or employees, and later acknowledge their intent to subcontract a portion of the contract, must submit a revised HSP.

Upon receipt, the HUB staff will evaluate the revised HSP and document approval or non-approval. The HUB staff will notify the Contractor and contract manager of the final determination. The final determination will become a part of the procurement file.

9. Contract Changes

In accordance with [Texas Administrative Code, Title 34, Part I, §20.14\(g\)\(3\)](#), the procurement professional shall notify the HUB staff of all contract changes (i.e., amendments, renewals, and extensions) for an existing contract during the development phase.

This applies to all contracts that require the submission of an HSP. Before routing the revised contract amendment for approval, all contract changes shall be sent to the HUB staff for evaluation to determine if:

- There is a change to the scope of work
- If additional subcontracting opportunities are probable

Once evaluated, the HUB staff will submit the determination to the contract manager and the procurement professional for inclusion in the procurement file.

10. Report for Contracts where HSP Was Not Required

When the HSP requirements are not included in a solicitation based on the dollar value being \$100,000 or less, if subcontractors are used in the delivery of the goods and/or services, the Contractor(s) is requested to submit monthly PAR forms to the HUB staff to verify the Contractor's "Good Faith Effort" in utilizing a HUB subcontractor for the subcontracting opportunity. When applicable, the reports should be submitted to the HUB staff and include financial information reflecting payments made to all subcontractors (HUB and Non-HUBs).

In the event the respondent's offer to the procurement exceeds the \$100,000 threshold,

the respondent will make a good faith effort to comply with HUB requirements through the development and submission of the HSP with the bid response prior to bid submission.

11. HUB Requirements for Emergency Procurements

In accordance with [Section 2.12 of the Comptroller of Public Accounts' \(CPA\) Procurement Manual](#), *"Emergencies occur as the result of unforeseeable circumstances and may require an immediate response to avert an actual or potential public threat. If a situation arises in which compliance with normal procurement practice is impracticable or contrary to the public interest an emergency purchase may be warranted to prevent a hazard to life, health, safety, welfare, property or to avoid undue additional cost to the state."*

A. HSP Requirements

In accordance with [Texas Government Code §2155.137](#), the provisions of [Texas Government Code §2161.181](#) relating to making a good faith effort to increase contract awards to HUBs for the purchase of goods and services applies to an emergency purchase. Therefore, TRS will consider all potential vendors, including HUBs, in making a selection when making an emergency purchase. However, based on the nature of the emergency and the emergency timeline, opportunities for subcontracting may not be feasible.

The HUB staff will review the emergency solicitation document and determine whether subcontracting opportunities are probable under the resulting contract. The determination of subcontracting opportunities is documented in PAVES requisition.

B. Specified Emergency Procurements Requirements

For specific emergency procurement situations when the selected Contractor is given an opportunity to formulate a plan of action to provide the required services, and only in the event that subcontracting occurs, the HUB staff will request that the Contractor identify its subcontractors for the purpose of tracking and recording its subcontractor utilization.

C. Progress Assessment Report (PAR) Requirements

If the Contractor subcontracts a portion of the work, the HUB staff will request the submission of a Progress Assessment Report (PAR). When applicable, the HUB staff will participate in a Post Award Conference with the Contractor and contract manager

to discuss the submission of the PAR and other related requirements.

12. Sole Source and Proprietary Procurements

Sole Source purchases are purchases where there is only one source for the good or service.

Proprietary purchases are available from one source at the manufacturing level, but more than one source exists at the reseller level.

The procurement profession shall send all sole source and proprietary purchases with an expectant value of over \$100,000 for the life of the contract (including any renewals) to the HUB staff for review and subcontracting determination prior to solicitation.

Should the HUB staff's determination include the requirement for a HSP as a part of the procurement, the submission of an HSP will be required.

A. HSP Evaluation

In the event that only one response is received and the purchase is justified as a sole source or proprietary procurement, the HUB staff may assist the respondent in making revisions to their HSP as necessary to ensure good faith effort to comply with [Texas Administrative Code §20.14](#), and identify any subcontractors to track and report subcontractor utilization.

When multiple responses are received in response to the sole source or proprietary procurement, the HUB staff evaluates all responses following the process outlined above.

B. Progress Assessment Report (PAR) Requirements

All Contractors that are awarded a contract with the HSP requirement are required to submit a Progress Assessment Report (PAR) in compliance with their HSP regardless of whether or not subcontractors are used. The HUB staff may participate in a Post Award Meeting with the Contractor and contract manager to discuss the submission of the PAR and other related requirements.

Section 4: Mentor Protégé Program

1. Policy and Compliance Purpose

To implement a Mentor Protégé Program to assist in fostering long-term relationships

between prime Contractors and Historically Underutilized Businesses (HUBs). The ultimate goal of the program is to provide developmental assistance to HUBs that will potentially increase their ability to contract directly with the State and/or to obtain subcontracting opportunities under a state contract.

2. Scope

The procedure applies to all potential Mentor and Protégé companies applying for TRS sponsorship.

3. Responsibility

TRS has charged the HUB staff with implementing and administering the Mentor Protégé Program in accordance with the adopted HUB Rules.

4. The TRS Mentor Protégé Program

It is the intent of the TRS Mentor Protégé Program to build effective working relationships between leaders of established companies, such as the TRS's primary contract vendors, and emerging minority, veteran and women-owned companies, which will allow HUB companies to benefit from the knowledge and experience of the established firms.

A. Purpose and Objective of the TRS Mentor Protégé Program

To identify and overcome barriers that may inhibit or restrict the success of a HUB business by encouraging relationships with primary Contractors, and to produce a broad base of high quality, competitive and profitable HUB companies through incremental improvement in their respective business practices.

B. Mission of the TRS Mentor Protégé Program

The mission of the TRS Mentor Protégé Program has three key components:

- Foster long-term relationships between prime Contractors and HUBs;
- Increase the ability and capacity of HUBs to be awarded contracts by the State of Texas; and
- Increase the overall participation of HUBs in subcontracting.

C. Program Goals

The program goals of the TRS Mentor Protégé Program are to:

- Develop protégé company's competency in areas of identified need;
- Increase protégé company's long-term stability in their industry; and
- Increase the mentor company's ability to identify potential firms that may be used as subContractors for future contracts and increase its good faith efforts to utilize HUBs.

D. Responsible Agency Personnel

The HUB staff is responsible for:

- The administration, outreach, education, compliance, information dissemination, reporting and evaluation documentation, and reporting of the Mentor Protégé Program;
- Procuring resources from other agency divisions may be utilized to carry out the mission of the program if needed;
- Maintaining application documents, forms used to determine eligibility, program information materials, Mentor and Protégé Application files, and Mentor-Protégé Agreements; and
- Collaborating with prime and subContractor companies, financial and bonding institutions, minority and women-owned business support service organizations, and local chambers of commerce.

Section 5: Outreach

1. HUB Training

The HUB staff will provide annual training to interested businesses and TRS staff regarding TRS HUB Program requirements. The purpose of the training is to assist vendors and staff in gaining knowledge regarding TRS contracts and bid opportunities. In addition, these outreach efforts will assist potential proposers and bidders in being a responsive vendor, and contract managers to ensure compliance with all aspects of the contracts in the HUB provisions.

2. TRS Forums

The HUB staff promotes the HUB Program through participation in and hosting of HUB Forums in accordance with [Texas Government Code §2161.066](#) and [§2161.126](#) and [Texas Administrative Code, Title 34, §20.26 and §20.27.](#)

The HUB staff participates in internal and external HUB forums (i.e., conferences, expos, vendor fairs, etc.). In addition, HUB vendors are provided the opportunity to give technical and business presentations that demonstrate their capability to do business with TRS.

HUB forums provide opportunities for state agencies to perform vendor outreach activities. In addition, they allow HUB firms to network and discuss bidding opportunities with state purchasing representatives and gain knowledge, information, and training. Examples of topics addressed are:

- State and federal procurement methods;
- Bidders list registrations;
- Certification and compliance;
- Statewide reporting;
- Opportunities for state grants and loans;
- Electronic commerce;
- Statewide marketplace; and
- Other programs (e.g. SBA, IRS).

A. Internal HUB Program Forums

The HUB staff hosts internal HUB forums on an annual basis. Internal forum participants include:

- HUB vendors
- HUB Program staff
- Contract managers
- State HUB Coordinators
- P&C procurement professionals

B. External HUB Program Forums

The HUB staff will make information regarding the forums available via e-mail and/or the TRS Website. The HUB staff may obtain assistance from other state agencies to implement forums to provide HUBs with information related to TRS' procurements. Forums are held at TRS offices or other agency facilities on an annual basis. The HUB staff will sponsor forums, coordinate efforts to host forums, and/or co-host forums on behalf of TRS.

HUB Forums are statewide seminars, expos, or vendor fairs sponsored or co-sponsored by the CPA, other state agencies, universities, minority business

development centers, chambers of commerce, federal or local governmental entities. HUB Forums provide information to HUBs, small businesses, and state purchasing personnel about state and/or other governmental procurement processes. The HUB staff will work with the CPA, other state agencies, and the HUB Cooperative Committee to promote statewide forums by:

- Traveling to various cities within Texas to participate in HUB forums
- Co-hosting HUB forums by assisting with in-kind responsibilities (i.e., printing, vendor mail-outs, providing training, etc.) as allowed by budget allocations
- Providing information relating to procurement opportunities to businesses interested in selling their products/services to TRS
- Maintaining an awareness of the HUB requirements
- Ensuring HUB participation in all contracts whenever possible

The HUB staff will maintain adequate supporting documentation supporting outreach efforts and outreach events by fiscal year, including all advertisements, for retention and on electronically on the shared drive for staff to access expeditiously to ensure compliance with the HUB requirements.

Section 6: HUB Program Reporting

1. Policy and Compliance

In accordance with [Texas Government Code §2161.122](#) and the [Texas Administrative Code §20.15 and §20.16](#), the TRS HUB Program Office shall maintain, compile and provide all required data (e.g. subcontracting expenditures, procurement card expenditures, supplemental reports, etc.) that is associated with TRS' total HUB utilization.

2. Internal HUB Program Reports

The HUB staff compiles information relating to TRS use of HUBs. The following internal reports are produced and distributed quarterly:

- Divisional Expenditure Report
- Subcontracting Expenditure Report

Data in these reports are broken down by business unit and include monthly and year-to-date expenditures with HUBs and Non-HUBs either directly or indirectly through subcontracting.

The HUB Coordinator will ensure the monthly data, including HUB expenditure amounts are reconciled to:

- Ensure HUB expenditure amounts are reported accurately
- Ensure supplemental report information is accurate and all HUBs utilized during the fiscal year by TRS' Contractors are reported

3. Semi-Annual and Annual HUB Reports

The TRS HUB Program Office submits a Semi-Annual HUB Report (due by March 15th) and an Annual HUB Report (due by September 15th) to the CPA Statewide HUB Program for TRS

Reports include the following information:

- HUB subcontracting expenditures reported to the agency by TRS prime Contractors;
- HUB procurement card expenditures;
- The number of bids and proposals received from HUB entities by ethnicity and gender;
- The total number of agency bids received (HUB and non-HUB);
- The number of contracts (competitive and non-competitive) awarded to HUB entities by ethnicity and gender; and
- The total number of agency contracts (competitive and non-competitive) awarded to HUB and non-HUB entities.

TRS also demonstrates good faith pertaining to the utilization of HUBs by submitting a supplemental letter to CPA with the Semi-Annual and Annual HUB Reports identifying its progress, which can include, but is not limited to the following, as prescribed by the commission:

- Identifying the percentage of contracts awarded to women, service disabled veterans and/or minority-owned businesses that are not certified as HUBs
- Demonstrating that a different goal from that identified in subsection (b) of this section was appropriate given the agency's types of purchases
- Demonstrating that a different goal was appropriate given the particular qualifications required by an agency for its contracts
- Demonstrating assistance to non-certified HUBs in obtaining certification with CPA

4. HUB Strategic Plan

TRS is required to include in its Five-Year Strategic Plan a written plan for increasing the agency's use of HUBs in purchasing and public works contracting. The TRS HUB Strategic Plan includes:

- The TRS goal
- The TRS objective
- The TRS Outcome Measures
- The TRS External Assessment

The HUB Strategic Plan Progress Report is submitted each biennium with the TRS's Legislature Appropriation Request (LAR).

In addition, the HUB staff will create an annual strategic plan that will be used to maintain and progress the agencies 5-year strategic plan.

5. HUB Strategic Plan Progress Report

Each fiscal year the HUB staff prepares a report documenting TRS progress made under the TRS Five-Year Strategic Plan for increasing the use of HUBs. The report is submitted in the format prescribed by CPA and includes:

- The agency's actual HUB percentage for the previous two years as reported in the CPA Annual HUB Report
- The agency's HUB goals for the current fiscal year

This report is coordinated through the TRS Budget Office and is included in the agency's Annual Report of Nonfinancial Data due by December 31st of each calendar year.

6. HUB Supporting Schedule

Biennially, TRS submits its Legislative Appropriations Request (LAR) to the Legislative Budget Board (LBB). The HUB Supporting Schedule is a component of the agency's LAR. The schedule provides information on the agency's good faith efforts to comply with HUB statutory requirements and administrative rules during the preceding two calendar years and includes:

- TRS expenditures and HUB goals for each procurement category for the two previous fiscal years;
- A summary of the TRS' efforts to attain or exceed HUB goals for each procurement category for each fiscal year;
- Factors affecting the TRS' ability to meet its HUB goal for a given category(s), if

applicable; and

- A summary of the TRS' good faith efforts to meet its HUB procurement category goals during the two previous fiscal years.