

## 25.06.01 Historically Underutilized Business Program

Revised [August 8, 2016](#)

Next Scheduled Review: August 8, 2021

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### Regulation Statement

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This regulation establishes standards for the implementation of Historically Underutilized Business (HUB) Program requirements throughout The Texas A&M University System (system).

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### Reason for Regulation

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This regulation complies with state law and system policy by requiring good faith efforts to include HUB businesses in system procurement efforts. This good faith effort involves evaluating and determining HUB subcontracting opportunities, administration of the system's state use and HUB Mentor-Protégé Program, participating in marketing and outreach efforts for HUB participation, and HUB reporting to the Texas Comptroller of Public Accounts (CPA). The regulation also addresses system and member HUB Program leadership and coordination.

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### Definitions

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Click to view [Definitions](#).

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### Procedures and Responsibilities

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#### 1. COMPLIANCE

As required by statute and policy, the system and each member will make a good faith effort to assist HUBs in gaining equal access and equal opportunities to receive contract and subcontract awards for design and construction projects and for the purchase of supplies, materials, equipment and services, including those relating to the issuance of bonds, in accordance with the rules established by the CPA.

Each member shall develop a HUB rule that complements state law and system policies and regulations. The member's HUB rule shall clearly identify member HUB plans and objectives which are consistent with the system HUB policy. This should include marketing and outreach strategies, education programs and any other initiatives that would enhance the participation of HUB-certified vendors in the member's HUB program.

## 2. HUB PROGRAM ADMINISTRATION

### 2.1 System Offices HUB Administration, Responsibilities and Actions

The chancellor has responsibility for systemwide HUB Program compliance.

The authority for HUB Program management is delegated to the system executive vice chancellor and chief financial officer (CFO). The system CFO shall ensure HUB Program compliance, including any applicable reporting to the Board of Regents (board) as required by policy, for the system and its members.

The chancellor will designate a System Offices employee to serve in the role as system HUB manager who will have the responsibility for ensuring that the system is compliant with the statutory requirements for the state of Texas HUB Program. In addition to requirements set forth by Texas Government Code and Texas Administrative Code (TAC), the system HUB manager will:

- (a) advise and assist member HUB coordinators/directors, management and staff in implementing essential HUB program functions as required by state law and system policies and regulations;
- (b) assist the System Internal Audit Department with audit readiness assessments based upon the audit criteria set forth by the Texas State Auditor's Office and with additional requirements set forth by System Offices;
- (c) develop, implement and maintain a systemwide HUB education/training program to ensure that employees are aware of the HUB Program and good faith procurement efforts;
- (d) monitor systemwide HUB performance through the collection of expenditure data, good faith effort documentation and member HUB plans and goals;
- (e) monitor and update system HUB policies and regulations;
- (f) review, consolidate (as appropriate) and transmit reports of system and member HUB activities and participation to the board and chancellor or other state entity or state official; and
- (g) identify areas that appear to require special attention or remedial action and assist members in obtaining needed information and/or in developing new HUB procedures or strategies.

### 2.2 System Member HUB Administration, Accountability and Responsibility

The chief executive officer (CEO) is responsible for the success of the HUB Program at his/her respective member. The CEO is required to ensure compliance with state law and system policies and regulations regarding the HUB Program.

The CEO shall develop an annual HUB performance plan and set annual HUB goals for each fiscal year. The plan shall show the strategic actions that will be implemented to achieve the member's HUB performance objectives for the next fiscal year along with an estimated HUB goal that results from implementing the plan. This plan shall also include an internal assessment of the member's efforts during the

previous two years. The CEO shall report the plan and goal to the chancellor prior to December 1<sup>st</sup> of each year. The CEO's annual evaluation will include his/her ability to meet those objectives. This component of the CEO's evaluation will be based on the demonstrated level of commitment to current HUB requirements and the implementation of the member HUB institutional plan and will not be narrowly focused on the achievement of a specific estimated HUB participation goal.

The CEO shall designate an employee to facilitate, promote and develop the member's HUB program. This designee shall hold the position of director level or above and shall report directly or indirectly to the CEO and be shown on the member's organizational chart.

The member HUB coordinator/director will:

- (a) report the progress of the member's HUB program to the CEO or member CFO on at least a quarterly basis. The monthly progress report should provide adequate information to show the member's efforts;
- (b) promote and encourage HUB subcontracting in all contracts less than \$100,000, regardless of funding, whenever it is determined that a reasonable potential for HUB subcontracting exists;
- (c) refer to System Policy 25.06, *Participation by Historically Underutilized Business*, in invitations for bids, requests for proposals or other purchase solicitation documents where subcontracting opportunities are probable, and follow the procedures set out therein for award and administration of all contracts with an expected value of \$100,000 or more. The member's rule shall address particular local conditions; however, member rules may not contradict system policy. When subcontracting opportunities are not probable, a HUB Subcontracting Plan (HSP) is not required and must be justified with a statement on file;
- (d) review and amend procurement procedures to ensure HUB compliance across the full spectrum of agency procurement activities;
- (e) develop and execute methods to provide for HSP explanation, subcontractor and prime contractor introductions, and project requirements review, such as pre-bid conferences and other events;
- (f) examine bid specifications to ensure that HUBs have access and equal opportunity for all procurement and contracting activities;
- (g) develop, implement and monitor the Mentor-Protégé Program;
- (h) assist with the development of the procurement specifications and evaluation of contracts for compliance; and
- (i) develop and maintain a web page that provides information about the HUB Program, as well as a link to the system eProcurement site.

### 3. GOOD FAITH EFFORTS

In addition to the TAC rules, the system HUB Program shall include, to the greatest extent possible, good faith efforts to:

- (a) make available procurement policies and procedures to HUBs in an effective process so as to encourage participation of those businesses;
  - (b) develop and participate in educational outreach activities, such as:
    - (1) publishing materials expressly designed to convey information to HUBs about the member's procurement process; and
    - (2) actively participating in local and statewide organization events and programs that promote business opportunity fairs for HUBs;
  - (c) develop and/or participate in internal educational activities, such as:
    - (1) a formal procurement training program for all professional purchasing staff that incorporates improvement of business skills and encourages HUB opportunities and participation; and
    - (2) developing and distributing information related to HUBs for use in departmental purchases not being processed through the central purchasing department, including where to find a list of HUB vendors; and
  - (d) organize and host programs and events that provide information about upcoming contracting opportunities and allow potential bidders to review those opportunities.
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## **Related Statutes, Policies, or Requirements**

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[Tex. Admin. Code Title 34, Part 1, Ch. 20, Subch. B, Historically Underutilized Business Program](#)

[Tex. Gov't Code Ch. 2161, Historically Underutilized Businesses](#)

[System Policy 25.06, Participation by Historically Underutilized Business](#)

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## **Member Rule Requirements**

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A rule is required to supplement this regulation. See Sections 1 and 2.2(c).

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## **Contact Office**

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