

25.06.01 Historically Underutilized Business Program



Revised [November 19, 2021](#)

Next Scheduled Review: November 19, 2026

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Regulation Summary

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

Definitions

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Regulation

1. COMPLIANCE

As required by statute and policy, the system and each member 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 must develop a HUB rule that complements state law and system policies and regulations. The member's HUB rule must clearly identify member HUB plans and objectives which are consistent with the system HUB policy. This includes marketing and outreach strategies, education programs and any other initiatives that would enhance the participation of HUB-certified vendors in the member's procurement and contracting opportunities.

2. HUB PROGRAM ADMINISTRATION

2.1 System Offices HUB Administration, Responsibilities and Actions

The chancellor has responsibility for system-wide HUB Program compliance.

The authority for HUB Program management is delegated to the system deputy chancellor and chief financial officer (CFO). The system CFO ensures 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 designates a System Offices employee who has 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 designee:

- (a) advises and assists member HUB coordinators/directors, management and staff in implementing essential HUB program functions as required by state law and system policies and regulations;
- (b) assists 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) develops, implements and maintains a system-wide HUB education/training program to ensure that employees are aware of the HUB Program and good faith procurement efforts;
- (d) monitors system-wide HUB performance through the collection of expenditure data, good faith effort documentation and member HUB plans and goals;
- (e) monitors and updates system HUB policies and regulations;
- (f) reviews, consolidates (as appropriate) and transmits reports of system and member HUB activities and participation to the board and chancellor or other state entity or state official; and
- (g) identifies 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 the CEO's respective member. The CEO is required to ensure compliance with state law and system policies and regulations regarding the HUB Program.

The CEO must develop an annual HUB performance plan and set annual HUB goals for each fiscal year. The plan must show the strategic actions that are 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 must also include an internal assessment of the member's efforts during the previous two years. The CEO reports the plan and goal to the System Office of HUB & Procurement Programs prior to December 1st of each year. The CEO's annual evaluation includes the CEO's ability to meet those objectives. This component of the CEO's evaluation is 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 designates an employee to facilitate, promote and develop the member's HUB program. This designee must hold the position of director level or above and report directly or indirectly to the CEO and be shown on the member's organizational chart.

The member HUB coordinator/director:

- (a) reports the progress of the member's HUB program to the CEO or member CFO on at least a quarterly basis. The monthly progress report provides adequate information to show the member's efforts;
- (b) promotes and encourages HUB participation in all purchases and contracting opportunities, regardless of funding;
- (c) ensures that System Policy 25.06, *Participation by Historically Underutilized Business*, is referenced in invitations for bids, requests for proposals or other purchase solicitation documents where subcontracting opportunities are probable, and follows 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 must 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) reviews and amends procurement procedures to ensure HUB compliance across the full spectrum of agency procurement activities;
- (e) develops and executes methods to provide for HSP explanation, subcontractor and prime contractor introductions, and project requirements review, such as pre-bid conferences and other events;
- (f) examines bid specifications to ensure that HUBs have access and equal opportunity for all procurement and contracting activities;
- (g) develops, implements and monitors the Mentor-Protégé Program;
- (h) assists with the development of the procurement specifications and evaluation of contracts for HUB program compliance; and
- (i) develops and maintains a web page that provides information about the HUB Program, as well as a link to the system eProcurement site or any other applicable site for opportunities.

3. GOOD FAITH EFFORTS

In addition to the TAC rules, the system HUB Program must 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 opportunities 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

[Tex. Admin. Code Title 34, Part 1, Ch. 20, Subch. D, Division 1, Historically Underutilized Businesses](#)

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

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

Member Rule Requirements

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

Contact Office

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