

# Historically Underutilized Business (HUB) Program

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## **HUB FAQs**

### **[How can I contact the TXDPS HUB \(Historically Underutilized Business\) Program office?](#)**

To receive more information on the HUB Program, please contact the TXDPS HUB Program Office at via e-mail at [DPSHUB@dps.texas.gov](mailto:DPSHUB@dps.texas.gov).

### **[Who is eligible to be certified as a HUB \(Historically Underutilized Business\) with the state?](#)**

A HUB is defined as a business with its principal place of business in Texas formed for the purpose of making a profit in which 51% of the assets, interest, stock or securities are owned by one or more persons, who are economically disadvantaged persons of the following groups:

- African Americans--which includes persons having origins in any of the Black racial groups of Africa;
- Hispanic Americans--which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish/Portuguese culture or origin, regardless of race;
- Asian Pacific Americans--which includes persons whose origins are from Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U.S. Territories of the Pacific, the Northern Marianas, and Subcontinent Asian Americans which includes persons whose origins are from India, Pakistan, Bangladesh, Sri Lanka, Bhutan or Nepal;
- Native Americans--which includes persons who are American Indians, Eskimos, Aleuts or Native Hawaiians; and
- American Women--which includes all women of any ethnicity except those specified above.
- Veterans as defined by 38 U.S.C. Section 101(2) who have suffered at least a 20% service-connected disability as defined by 38 U.S.C. Section 101(16) who are not Black Americans, Hispanic Americans, American Women, Asian Pacific Americans, or Native Americans.

### **[How does a vendor initiate the certification process and for what length of time is the certification valid?](#)**

In order to determine whether a vendor qualifies as a HUB, a vendor must complete a Historically Underutilized Business Certification Application. The HUB application can be viewed and downloaded from the [Texas Comptroller of Public Accounts \(CPA\) Website](#).

At this time, this form must be notarized and returned to the CPA in paper form. CPA HUB staff may be reached by calling (512) 463-5872 or in Texas, call toll free 888-863-5881.

The initial certification is valid for a four-year period beginning on the date the applicant was certified by the CPA as a HUB. Upon expiration, a HUB must re-certify according to CPA procedures.

**Which agency is responsible for HUB certification and how long does it take to certify a vendor?**

The Texas Comptroller of Public Accounts (CPA) is required by law to maintain a statewide [Centralized Master Bidders List/HUB Directory](#). The CPA has to certify the applicant or provide justification of the denial of certification within 90 days from the time the completed application is received. CPA HUB staff may be reached by calling (512) 463-5872 or (888) 863-5881.

**Are state agencies required to attain a specific goal for HUB spending?**

Each state agency is required to make a good faith effort to use HUBs in contracts for construction, services, including professional and consulting services, and commodities purchases. During the fiscal year a state agency is expected to make a good faith effort to meet or exceed the following percentages:

These goals are based upon the findings of the Texas Disparity Study.

- 11.2% - Heavy Constructions other than building contracts
- 21.1% - Building Construction, including general contractors and operative builders contracts
- 32.7% - \*Special Trade Construction contracts
- 23.6% - \*Professional Services contracts
- 24.6% - \*All Other Services contracts, and
- 21.0% - \*Commodities contracts

**\* Denotes contract types primarily used at the TXDPS office.**

In this list, "Woman" refers to all women excluding African American, Hispanic American, Asian Pacific American, and Native American women.

**Is there a certain length of time a business needs to be in operation before getting certified as a HUB?**

No. The Texas Comptroller of Public Accounts (CPA) has implemented requirements for new businesses seeking certification with the state. If a business is applying for HUB certification or re-certifying under a new business structure, in conjunction with completing the HUB Certification Application, a business must provide certain documentation for its business structure to become certified as a HUB. The required documentation is identified on the application.

**If a company does not qualify as a HUB, what can that vendor do to sell to the department and to the state?**

The Department recommends you register on the CPA's Centralized Master Bidders List (CMBL), regardless if you're a HUB or not. [More information regarding the CMBL](#).

Vendors may also register with the Department's web based [eProcurement System](#) to browse and respond to Open Bids (opportunities).

**If a vendor is certified as a HUB and is in the HUB Directory why would you want to pay \$70 annual fee to get on the Centralized Master Bidders List (CMBL)?**

In order to maximize benefits of the state's HUB program, businesses are encouraged to register on the [Centralized Master Bidders List \(CMBL\)](#) to receive certain Invitations for Bids (IFBs) automatically and have their commodities/services advertised by class-item codes to state agencies. Purchasers are required to include vendors from the CMBL for competitive purchases.

**How do I register to the Centralized Master Bidders List (CMBL)?**

Click here to register on the [CPA's CMBL](#).

**How is the TXDPS office making a "Good Faith Effort" to assist HUBs?**

TXDPS purchasers search for HUB vendors on [CPA's CMBL/HUB Directory](#) to find bidders on all our goods and services. They also encourage all vendors who come to our department directly and who we meet at economic opportunity forums to become certified, if qualified, with CPA.

In addition to seeking HUB vendors as prime contractors, they are also encouraged to be subcontractors in our contracts with non-HUB primes. One of the ways we encourage HUB subcontracting is to include a HUB Subcontracting Plan (HSP) in each of our formal bids (\$100,000 & over). The TXDPS office asks prime contractors to identify and report dollars spent on HUB subcontractors and material suppliers with whom they work in the execution of a department contract. By reporting subcontractor purchases each month, prime contractors help the department make a good faith effort to meet the goals set by the Legislature.

**What are the specific bidding requirements TXDPS must follow?**

- Up to \$5,000.00 (goods/services) competitive bids not required (i.e., one bid is acceptable), but purchasing from State of Texas Certified HUBs is encouraged.
- \$5,000.01 to \$10,000.00 (goods/services) requires three informal (phone) bids, (two (2) must be Texas Certified HUBs);
- Certain goods and services over \$25,000 require that specifications be submitted to CPA for handling;
- Invitation for Bid (IFB) services over \$25,000 must be advertised by the department using CPA's entire Centralized Master Bidders List (CMBL) for the appropriate class/item;
- Certain services over \$100,000 are submitted to CPA for review and approval.

Any competitive bid over \$100,000, where subcontracting opportunities are probable will include a HUB Subcontracting Plan (HSP).

Notice of all goods and services expected to cost \$25,000 or more must also be posted on the [Texas Marketplace, Electronic State Business Daily](#).

### **How are vendors selected to bid on goods and services for the department?**

Texas is divided into 24 geographical districts. When an applicant completes a HUB Certification Application, a vendor may elect to bid in all or individual districts by so indicating. Bid invitations for commodity classes and items selected by the applicant will be mailed only for the districts designated on the application. Two branches of the same company may bid in the same district if they are bidding on different items.

All "bids" for goods and services expected to cost \$25,000 or more will also be posted on the [Texas Marketplace, Electronic State Business Daily](#).

### **What is the TXDPS Mentor Protégé Program?**

It is the intent of Texas Department of Public Safety (TXDPS) to carry out programs and procedures for the [Mentor Protégé Program](#) to encourage vendors to foster long-term relationships between contractors/vendors and Historically Underutilized Businesses (HUBs). In addition, to increase the ability of HUBs to contract with the state or to receive subcontracts under a state contract, primarily in providing goods and services for our department. This policy is written in accordance with the Texas Government Code, Section 2161.065, in which the Texas Comptroller of Public Accounts (CPA) is directed to design such a program for all agencies. TXDPS's intent is to comply with statutory requirements in lieu of guidelines from CPA.

The objective of TXDPS [Mentor Protégé Program](#) is to provide professional guidance and support to the protégé to facilitate their development and growth. All participation is voluntary and program features should remain flexible so as to maximize participation.

### **Who do I contact to participate in TXDPS's Mentor Protégé Program?**

You may contact the TXDPS HUB Program Office via e-mail at [DPSHUB@dps.texas.gov](mailto:DPSHUB@dps.texas.gov).

### **Once a vendor has been awarded a state contract and the vendor has provided goods or services to a state department, how soon before payment is made?**

Texas' "prompt payment law" establishes when some types of payments are due. The law states that payments for goods and services are due 30 days after the goods are provided, the services completed, or a correct invoice is received, whichever is later. The Comptroller's State-to-Vendor Payment Information Website provides up to 4 years of confidential and non-confidential vendor payment information. A vendor must register for a Personal Identification Number (PIN) to access confidential payments. To register for a PIN or to search for payment information click on the State-to-Vendor Payment

Information link located on the [Fiscal Management Website](#). Vendor payment information is available via Fax Report and can provide up to 30 days of non-confidential vendor payment information.

To receive a Fax Report dial,

English - (877) 570-0844 toll free; (512) 936-3461 in Austin

Spanish - (877) 570-0830 toll free; (512) 936-3462 in Austin

If additional payment information is needed you are asked to contact the paying state department for assistance.

For assistance with payments made by TXDPS, e-mail [APIInvoices@dps.texas.gov](mailto:APIInvoices@dps.texas.gov).

Normal business hours for the TXDPS office are 8:00 a.m. to 5:00 p.m. CST, Monday through Friday.

**[I wish to enhance my knowledge of doing business with state agencies, what Economic Opportunity Forums \(EOF\) are available for me to attend?](#)**

Please refer to the [Texas Comptroller of Public Accounts \(CPA\) website](#) for a listing of EOFs scheduled during each fiscal year.