

UNIVERSITY of HOUSTON
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

SECTION: Procurement
AREA: Procurement - General

MAPP 04.01.08

SUBJECT: Historically Underutilized Businesses (HUBs)
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I. PURPOSE AND SCOPE

The purpose of this MAPP is to establish guidelines for the use of historically underutilized businesses where applicable in procurement activities at the university, in accordance with [Texas Government Code, Chapter 2161](#), and [System Administrative Memorandum \(SAM\) 03.B.02 - Contracting with Historically Underutilized Businesses \(HUBs\)](#). This MAPP applies to all purchases and procurement of goods and services for and at the University of Houston. The University of Houston HUB Guidelines contain detailed procedures that all university departments must follow in order to comply with state HUB program requirements. These Guidelines are considered an extension of this MAPP. The HUB Guidelines are located at: <http://www.uh.edu/administration-finance/hub/>.

II. POLICY STATEMENT

The University of Houston supports and encourages historically underutilized businesses. The university adopts this document to comply fully with the letter and the spirit of [Texas Government Code, Chapter 2161](#). The University of Houston pledges to:

- A. Reaffirm the university's commitment to the principles of equal opportunity for all businesses and affirmatively increase the participation of historically underutilized businesses in the university's procurement process;
- B. Encourage participation in procurement from historically underutilized businesses;
- C. Foster further expansion and development of historically underutilized businesses;
- D. Actively assist historically underutilized businesses in Texas, particularly in the areas served by this university, in becoming familiar with the procurement process of the State of Texas and the University of Houston;
- E. Support growth and new business opportunities in the areas served by the university, thereby promoting the economic development of the state;
- F. Expand the number of suppliers and contractors seeking to provide goods and services to the university, thereby encouraging competition, with the ultimate goal of improving quality and economy of goods and services purchased by the university;
- G. Support and encourage the improvement of business conditions encountered by historically underutilized businesses; and
- H. Heighten awareness throughout the university and the communities served by the university, of the capabilities and needs historically underutilized businesses that can provide goods and services for the university.

III. DEFINITIONS

- A. Historically Underutilized Business (HUB): For the purposes of this MAPP, a historically underutilized business is a corporation, sole proprietorship, partnership, or joint venture, with its principal place of business in Texas, in which at least 51 percent is owned, controlled, operated, and actively managed by one or more persons who have been socially disadvantaged because of their membership in a certain group, including Black Americans, Hispanic Americans, women, Asian Pacific Americans, Native Americans, and Service Disabled Veterans and who have suffered the effects of discriminatory practices or other insidious circumstances over which the person has no control. (See [Texas Administrative Code, Title 34, Part 1, Chapter 20, Subchapter B, Rule 20.11](#) for the legal definition of a HUB.)
- B. Economically Disadvantaged Person: For the purpose of this document, an economically disadvantaged person is a person who is economically disadvantaged because of the person's identification as a member of a certain group, including Black Americans, Hispanic Americans, women, Asian Pacific Americans, Native Americans, and Service Disabled Veterans and who have suffered the effects of discriminatory practices or other similar insidious circumstances over which the person has no control.

IV. GOALS

The University of Houston recognizes the State's goals of placing qualified percentages of total contracts with HUBs.

The university will make a good faith effort to give HUB vendors an opportunity to compete for all contracts and purchases.

- A. The university determined HUB utilization goals for the following procurements categories, which are listed on the UH HUB web site (<http://www.uh.edu/administration-finance/hub/>):
- Building Construction, including general contractors and operative builders contracts
 - Special Trade Construction contracts
 - Professional Services contracts
 - Other Services contracts
 - Commodities contracts
- B. The university will seek to identify and advise qualified minority vendors of the State's certification process.
- C. The university will establish educational training for personnel making procurement decisions to assure compliance with stated objectives.
- D. The university will establish a [Mentor-Protégé Program](#) individually or in cooperation with other state agencies and/or public entities to increase the ability of historically underutilized businesses to contract with the university or to receive subcontracts under university contracts.

- E. The university will conduct forums and fairs in which HUB vendors may present their products and technical and business presentations to the university community.
- F. The university will maintain and compile monthly information relating to HUB usage.
- G. The university will prepare as part of its strategic plan under [Texas Government Code, Chapter 2056](#) a written plan for increasing the agency's use of historically underutilized businesses.
- H. The university will notify trade organizations to of procurement opportunities to target HUBs.
- I. The university will insure that all contracts with an expected value of at least \$80,000 on facilities projects paid with non-federal funds, \$100,000 or more on non-facilities projects paid with non-federal funds, or over \$150,000 on projects paid with federal funds only, including goods, services, and public construction will include a HUB Subcontracting Plan, if the university determines that subcontracting opportunities are probable under the contract in accordance with [Title 34, Part 1, Chapter 20, Subchapter B, Rule 20.14](#) of the Texas Administrative Code.

V. PROGRAMS

- A. Bidding Requirements: See the UH Purchasing Guidelines for UH bidding requirements: <http://www.uh.edu/administration-finance/hub/>.
- B. All proposed requisitions will be purchased in reasonable lots in keeping with industry standards and competitive bid requirements. Specifications, terms, and conditions will be written clearly and will state only reasonable and necessary contract requirements, which reflect the university's actual requirements. In addition, only reasonable, realistic, or required delivery schedules will be specified.
- C. The University HUB Operations Department will host various annual events and seminars at which local area vendors will be invited to participate. Vendors will be instructed regarding how to do business with the university. The HUB certification process will be explained and the application form and other related information will be distributed to all HUB vendors.
- D. Bond and insurance requirements for service and construction contracts will be designed in such a way as to reasonably permit more than one business to perform the work.
- E. All contractors will be required to comply with [Title 34, Part 1, Chapter 20, Subchapter B, Rule 20.14](#) of the Texas Administrative Code, regarding subcontracting and HUB good faith effort requirements. Accordingly, the university will provide contractors with information on how to find HUB subcontractors.
- F. The University Purchasing Department utilizes the HUB directory provided by the Texas Comptroller's Office on-line in selecting potential suppliers and subcontractors for commodities, services, and construction contracts.
- G. Every effort should be made to utilize a HUB vendor for purchases that do not require competition. The HUB Operations Department may be contacted for help in identifying potential HUB vendors.

VI. REVIEW AND RESPONSIBILITY

Responsible Party: Senior Associate Vice President for Finance

Review: Every five years on or before August 31

VII. APPROVAL

/Jim McShan/

Senior Vice President for Administration and Finance

/Renu Khator/

President

Date of President's Approval: May 2, 2019

VIII. REFERENCES

[TEX. GOV'T CODE Ch. 2161.](#)

[1 TEX. ADMIN. CODE, Ch. 20, Subch. B.](#) (Comptroller of Public Accounts)

[General Appropriations Act](#)

[System Administrative Memorandum 03.B.02 - Contracting with Historically Underutilized Businesses \(HUBs\)](#)

[HUB Web site: http://www.uh.edu/administration-finance/hub/](http://www.uh.edu/administration-finance/hub/)

[UH Purchasing Web site: http://www.uh.edu/administration-finance/purchasing/](http://www.uh.edu/administration-finance/purchasing/)