

UNIVERSITY *of* HOUSTON  
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

**SECTION: Procurement**  
**AREA: Procurement - General**

**MAPP 04.01.08**

<b>SUBJECT: Historically Underutilized Businesses (HUBs)</b>
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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 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.

**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;

- F. Support and encourage the improvement of business conditions encountered by historically underutilized businesses; and
- G. 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, and Native Americans, and who have suffered the effects of discriminatory practices or other insidious circumstances over which the person has no control.
- 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, and Native Americans, 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 utilize HUBs in all contracts for building renovation, building construction, special trade construction, professional services, other services, and commodities purchases.

- A. The university's specific commodity goals are as follows:

Heavy Construction other than building contract	11.9%
Building construction, including general contractors and operative builders contracts	26.1%
Special trade construction contracts	57.2%
Professional services contracts	20.0%
Other services contracts	33.0%
Commodities contracts	12.6%

- 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-Protege 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 advertise in trade publications to target HUBs.
- I. The university will insure that all contracts with expected value of at least \$100,000 or more, including goods, services, public construction (excepting federally funded contracts if federal law prohibits application) will include a HUB Subcontracting Plan.

V. PROGRAMS

- A. Bidding Requirements:
  - 1. Requisitions of \$5,000.01 to \$25,000.00, and not subject to a bidding exemption (i.e., sole source, emergency, etc.), will require at least three informal bids, including two from certified HUB vendors.
  - 2. Requisitions of \$25,000.01 or more, and not subject to a bidding exemption (i.e., sole source, emergency, etc.), will require at least three formal bids, including two from certified HUB vendors.

- 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 Purchasing Department will host an annual vendor fair 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 section 111.14 of the Texas Administrative Code, regarding subcontracting and HUB good faith effort requirements. Accordingly, the university will provide contractors with a referenced list of certified HUBs for subcontracting.
- F. The University Purchasing Department utilizes the HUB directory provided by the Texas Building and Procurement Commission 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 voucher purchases of \$5,000.00 or less. The Purchasing Department may be contacted for help in identifying potential HUB vendors.

VI. REVIEW AND RESPONSIBILITY

Responsible Party: Associate Vice President for Finance.

Review: Every three years, on or before August 31

VII. APPROVAL

John Rudley  
Vice President for Administration and Finance

Jay Gogue  
President

Effective Date: November 30, 2005

VI. REFERENCES

TEX. GOV'T CODE Ch. 2161.  
1 TEX. ADMIN. CODE, Ch. 111, Subch. B. (Texas Building and Procurement Commission)  
1 TEX. ADMIN. CODE § 113.8 (Texas Building and Procurement Commission)  
General Appropriations Act  
System Administrative Memorandum 03.B.02 - Contracting with Historically Underutilized Businesses (HUBs)

Index Terms: Historically underutilized business  
HUB