



Civil Rights Division HUB Compliance 2023 PEPS Conference

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Texas Administrative Code (TAC)

Title 34, Part 1

§20.285



Information gathering

Agency determination regarding subcontracting opportunities

Monitoring HUB subcontracting plan (HSP) compliance

Amending HSP



In fiscal year
2023:

- Currently, there are 16,841 actively certified HUBs, an increase of more than 500 HUBs from the previous year
- More than 98,000 visitors viewed the HUB website, an increase of more than 5,000 from the previous year
- Training topics included navigating the online HUB certification system, accessing HUB resources, encouraging HUBs to register on the CMBL, and creating successful HUB profiles



Each state agency that considers entering into a contract with an expected value of \$100,000 or more shall determine whether there will be subcontracting opportunities.

- The HSP must be included with the bid, proposal, or other applicable expression of interest.

The HSP must be determined to be compliant for the proposal to be considered responsive.

- While PEPS does not communicate with the respondents at time of the submittal, the Civil Rights Division does have the authority to allow the respondent to address minor deficiencies.
- Revised HSPs, documents, or attachments are not accepted.



- *The [Provider] shall submit a progress assessment report to the state agency with each invoice, in the format required by the comptroller...The progress assessment report **shall be a condition for payment***
 - CIV reviews each HUB progress assessment report to determine whether it complies with the HUB subcontracting plan
 - *If the [Provider] fails to comply with the HUB subcontracting plan, the state agency shall notify the [Provider] of the deficiencies and give [them] an opportunity to submit documentation and explain*



In addition
to any
PEPS
actions,
the agency
may:

- Report the failure to comply to the comptroller
- Bar the [Provider] from further contracting opportunities with the agency
- Report nonperformance to the comptroller for consideration for possible debarment (pursuant to Government Code, §2155.077)
 - Debarment for failure to implement the HSP may be for a period of no more than five years.



Before the provider subcontracts any part of the contract that is not consistent with the HSP on file, it shall submit an amended HSP for its review and approval.

The agency may approve the requested changes by amending the contract.

- Changes include updating subcontractor names, expiration or other loss of HUB certification, or adding/reallocating effort to other subs on the team.
- Failure to comply with the above may be deemed a breach of contract subject to remedies discussed previously.

Common Errors
... and How to Avoid Them



- Incomplete contact information
- Using Work Category Nos. without descriptions
- Using Groups instead of the individual (specific) task
- Blanks: dollar amount, percentage totals, headers

Minor

- Discrepancies between Section 2B and Methods A
- Listing subproviders in Section 2B instead of tasks
- Company names or EIN/VID are incorrect
- Grouping several tasks on one Method A

Major

Medium

- Including tasks not advertised
- Use of inaccurate or non-existent NIGP codes
- Missing Methods A for tasks included in Section 2B
- Self-performing justification is brief and insufficient



Monitor



Plan ahead



Be informed

Resources



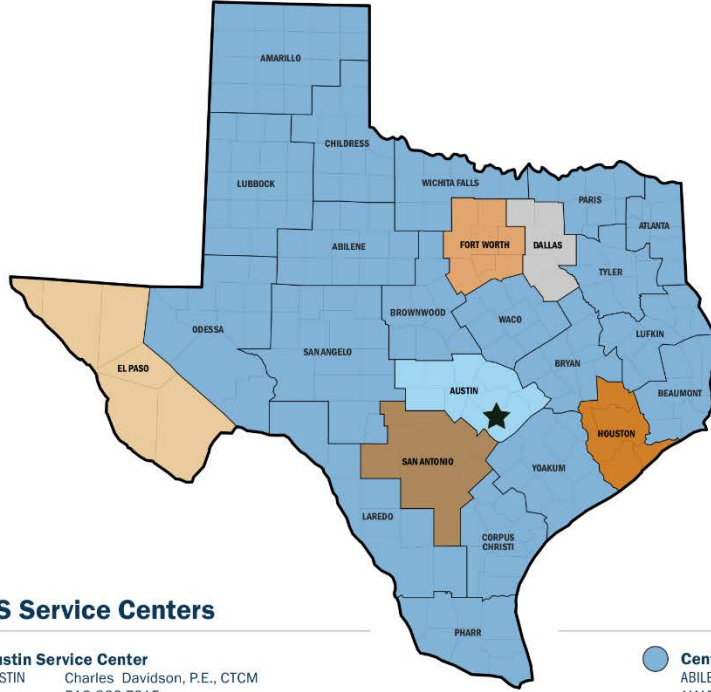
Your PEPS Service Center

CIV HUB Compliance Team

- Gloria Hearn (PEPS Liaison)
- Teri Alvarado
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- Don Barwick

Comptroller's Website

- <https://comptroller.texas.gov/purchasing/vendor/hub>



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HISTORICALLY UNDERUTILIZED BUSINESS (HUB) PROGRAM

The Statewide Procurement Division Historically Underutilized Business (HUB) Program administers the HUB program in accordance with Texas Government Code Section 2161 and Texas Administrative Code, Title 34, Chapter 20, Subchapter D, Division 1, Sections 20.281 to 20.298.



New Fraud Alert - Sept. 14, 2023

close

HUB and CMBL members report receiving message falsely representing Statewide Procurement Division. See [Fraud Alert](#) for details.

Statewide HUB Certification

Texas Government Code §2161.061 authorizes the Comptroller of Public Accounts Statewide HUB Program to certify qualified small businesses and enter into Memorandums of Agreements (MOAs) with other small business certifying entities to maximize the HUBs certified.

Learn more about the certification process and see if you are [eligible](#) for HUB Certification.



Ready to Apply for HUB Certification Online?

The HUB certification application process has gone paperless! Apply to become a certified HUB on the [Texas Statewide HUB System](#).

Connect with state agency and university [HUB Coordinators](#) today!

Translation:

Select Language

Powered by [Google Translate](#)



Related Links

General HUB Information

[Statewide HUB Sponsored Events](#)

[Calendar of Events](#)

[Certification Process](#)

[Texas Government Code, Chapter 2161](#)

[Texas Administrative Code, Chapter 20, Subchapter D](#)

Certified HUB Vendor Resources

[Download HUB Certified Vendor Logo](#)

[HUB Forms and Reports](#)

[HUB Coordinator & MOA Lists](#)

Questions and Discussion



One of my HUB certified subproviders was sold. Will the HUB certification automatically transfer to the new owner(s)?



No. HUB certifications are non-transferrable. The new owner must apply for a HUB certification.



My subcontractor was listed as a HUB when we submitted our HSP but lost certification before our contract was awarded/executed. Do I have to replace them?



You may redistribute their percentage to other HUBs on the team or add another HUB to your team. Either way, a change form and revised HSP is required.



My subcontractor was listed as a HUB when we submitted our HSP but lost certification AFTER our contract was awarded/executed. I still plan to use them for future work on this contract. Do I have to submit a change request and revised HSP?



Yes. In this instance, any effort they performed will be entered on one line (as a HUB) and the effort yet to be completed will be entered on a separate line (as non-HUB). Remember, you'll need to redistribute the difference in the HUB percentage to other HUBs on your team or add another HUB to continue to meet the HUB commitment.



One of my HUB subcontractor's certification expired after our contract was executed but is renewing their certification. Will their effort still count?



No. Their effort will not count for any work performed during the gap in time between the end of the FY in which the expiration occurred and the renewal date.



The State made changes to the scope of work for the project after the contract was executed and removed portions I had planned to subcontract to HUBs. Am I still expected to meet the commitment in my HSP?



Yes. Given that there is sufficient time, and the project will not be adversely impacted by bringing a new HUB sub on to perform the (new) effort, or to redistribute pre-existing effort to HUBs on your team.



One of my HUB subcontractors is unable to perform the work assigned to them in our HSP. Can I just remove them from the contract?



Have they performed any work? If so, they must remain on your HSP, and thus, in your contract. Remember, the percentage they were to complete towards the commitment must be redistributed to other HUBs, or you must bring on another HUB sub.



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