



# COMMISSION ON STATE EMERGENCY COMMUNICATIONS

## HUB Overview & Program Policy Statement (PPS) 024

January 27, 2025





# Historically Underutilized Business Program (HUB) & RPCs

## Agenda:

- State Requirements
- Commission Requirements
- HUBs and How to Locate Them
  - Good Faith Efforts
- Developing HUB Plans
  - Resource Links





## State Requirements

- The Texas Comptroller of Public Accounts Statewide Procurement Division (SPD), Historically Underutilized Business (HUB) Program administers the HUB program in accordance with Texas Government Code §2161 and Texas Administrative Code, Title 34, Chapter 20, Subchapter D, Division 1, Sections §20.281 to §20.298.
- A state of Texas Historically Underutilized Business (HUB) Certification requires at least 51 percent of the business be owned, managed, and operated by owner(s) who meet the qualified ethnicity requirement, or are a woman, or are a service-disabled-veteran (SDV) (with at least a 20 percent service disability as identified by the federal military department). The HUB owner applicant(s) must also be residents of Texas, U.S. citizens (except for the SDV), and the business must be primarily based in Texas. The business must also meet the Small Business Administration (SBA) size standards set forth in the business categories of 13 CFR, section 121.201.
  - There are two paths to get Statewide HUB Certified, one is through the Comptroller of Public Accounts Statewide HUB program and the other is via partner certification organizations (MOAs). Both options will provide HUB certification at no cost.





## Commission Requirements

- Commission staff will:
  - Assist RPCs in developing HUB plans
  - Review HUB plans for completeness and compliance with PPS 024 and include in staff's evaluation of RPC strategic plans under PPS 033
  - Train RPCs on how to locate HUBs and make good faith efforts to use HUBs
  - Provide HUB helpful resources
  - Annually review results of prior year RPC HUB plan progress and efforts





## What is a HUB and How to locate them

- What is a HUB?
  - Texas Government Code 2161.001(2) defines a “Historically Underutilized Business” as an entity with its principal place of business in this state that is
    - (A) a corporation formed for the purpose of making a profit in which 51 percent or more of all classes of the shares of stock or other equitable securities are owned by one or more economically disadvantaged persons who have a proportionate interest and actively participate in the corporation's control, operation, and management;
    - (B) a sole proprietorship created for the purpose of making a profit that is completely owned, operated, and controlled by an economically disadvantaged person;
    - (C) a partnership formed for the purpose of making a profit in which 51 percent or more of the assets and interest in the partnership are owned by one or more economically disadvantaged persons who have a proportionate interest and actively participate in the partnership's control, operation, and management;
    - (D) a joint venture in which each entity in the venture is a historically underutilized business, as determined under another paragraph of this subdivision; or (E) a supplier contract between a historically underutilized business as determined under another paragraph of this subdivision and a prime contractor under which the historically underutilized business is directly involved in the manufacture or distribution of the goods or otherwise warehouses and ships the goods.
  - Texas Government Code 2161.001(3) defines an “Economically disadvantaged person as:
    - 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 veterans as defined by 38 U.S.C. Section 101(2) who have suffered at least a 20 percent service-connected disability as defined by 38 U.S.C. Section 101(16); and who has suffered the effects of discriminatory practices or other similar insidious circumstances over which the person has no control.





## What is a HUB and How to locate them

### How to locate HUBs

- The Centralized Master Bidders List (CMBL) is maintained by the Texas Comptroller of Public Accounts (CPA). The CMBL provides HUB and other information for vendors
- RPCs may also determine HUB status using methods prescribed by it. Unlike the requirement for state agencies, vendors do NOT have to be on the CMBL to qualify as a HUB vendor

### Vendor Checks

- Excluded Parties List System
  - Executive Order 13224 issued by the President of the United States prohibits any government entity from doing business with any kind of people, organizations, businesses, countries, and other entities that are on the United States Department of Treasury's Office of Foreign Assets Control Specially Designated Nationals list. The General Services Administration (GSA) maintains the Excluded Parties List System within the System for Award Management (SAM) (See Resource Links)
- Franchise Tax Status
  - The CPA maintains a list showing the tax status of vendors (See Resource Links). RPCs should not do business with vendors that are delinquent on tax payments to the State of Texas. Random verification of vendors used on a recurring basis should be made against this listing.





## Good Faith Efforts

- Solicit bids from HUBs on competitive procurements
- For small purchases, document informal bid or other small purchases. Informal bidding may be done via phone or email, document who was contacted, if they were a HUB, how much they bid, and who the winning bidder was
- Solicit bids from only HUBs when there is a large pool of available vendors for a product or service
- Determine if large procurements can be separated into smaller groups so that more vendors can participate, including HUBs
- Check specifications to be sure that there are no requirements that would preclude HUBs from bidding. Example: short delivery times







## Good Faith Efforts

- Research availability of HUBs on repeat purchases before procuring the product or service from the same vendor
- Encourage HUBs in the region to promote their services and products to the RPC
- Provide a mechanism for HUBs to learn of RPC procurement opportunities
- Competitively solicit repeat purchases on a regular basis. Example: if paper goods are purchased each month, competitively procure once each year.
- If no HUBs exist for a product or service, provide written justification of the selection process as no HUBs will be selected
- If HUBs exist for a product or service, provide written justification of the selection process if a HUB is not selected







## Developing HUB Plans

1. Using RPC annual 9-1-1 budget, subtract "excluded" expenditure classes: Salaries and Wages, Benefits, Interest Payments, Rentals and Leases, Utilities, Travel, & Indirect
2. Subtract any other non-competitive budget classes not listed above (e.g. subscriptions)
3. Assign remaining budget amount to procurement categories: Professional Services, Other Services, Commodity Purchasing
4. Resulting amounts are "HUB Eligible" budgets
5. Work with RPC Purchasing personnel to determine realistic and reasonable RPC HUB goals for each procurement category; CSEC recommends evaluating prior year purchases to determine success rate and areas of improvement
6. Throughout the year, identify and track expenditures made with HUB vendors
7. At year end, total HUB expenditures by procurement category and divide against HUB Eligible budgets calculated in # 4.
8. Keep in mind that attaining goals is just one measurement. Remember Good Faith Effort is the key!





## Developing HUB Plans



PPS 024 Exhibit 1  
UB Plan Developm



PPS 024 Exhibit 2  
- HUB Plan Wksht



PPS 024 Exhibit 3  
IUB Expenditure Ca



PPS 024 Exhibit 4  
Related Resources





## Resource Links

- [CSEC Program Policy Statements](#)
- [CSEC Contracts Website \(HUB\)](#)
- [Texas Comptroller Statewide Procurement Division \(HUB\)](#)
- [Texas Department of Information Resources \(HUB\)](#)
- [Texas Government Code Chapter 2161](#)
- [Texas Administrative Code Part 1 Chapter 20 Subchapter D Division 1](#)
- [HUB Directory \(Centralized Master Bidders List \(CMBL\)\)](#)
- [NIGP Commodity Codebook](#)
- [Vendor Tax Account Status](#)
- [System for Award Management \(SAM\)](#)





---

# COMMISSION ON STATE EMERGENCY COMMUNICATIONS

---

# QUESTIONS?

HUB Coordinator  
Noah Gilliam  
[Noahg@csec.texas.gov](mailto:Noahg@csec.texas.gov)

HUB Liaison  
Kenneth Maze  
[Kennethm@csec.texas.gov](mailto:Kennethm@csec.texas.gov)

