

HUB PROGRAM & VENDOR TIP GUIDE

OFFICE OF THE ATTORNEY GENERAL

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The goal of the OAG's HUB program is to increase procurement opportunities for minority and women-owned businesses. The OAG is committed to developing its HUB program by actively working with both agency staff and the vendor community.

View HUB Program Information on OAG website at: <http://www.oag.state.tx.us/agency/hub.shtml>

WHAT IS A HUB (HISTORICALLY UNDERUTILIZED BUSINESS)?

A HUB is a business that is formed for the purpose of making a profit and is otherwise a legally recognized business organization under the laws of Texas. A HUB company must be at least 51 percent owned by one or more persons who are members of one of the following groups:

- African-Americans
- Hispanic-Americans
- Asian Pacific-Americans
- Native-Americans
- Women
- Service Disabled Veterans

The HUB owner must have a proportionate interest and demonstrate active participation in the control, operation and management of the company's affairs. A HUB also must have its principal place of business in Texas. **HUB certification with the state is always free.**

TIPS ON HUB CERTIFICATION

<http://www.cpa.state.tx.us/procurement/prog/hub/hub-certification>

The Comptroller's HUB Certification and Compliance team: (888) 863-5881

- **Don't let your HUB certification expire.**

Make it one person's job to track the HUB certification expiration date on their electronic calendar and get the proper documentation submitted to the Comptroller's HUB Certification and Compliance Team at least 2 months prior to expiration date.

Why is HUB certification important to your state agency customers?

- Agencies receive HUB credit for their expenditures with your business in their semi-annual and annual HUB reports.
- An agency's HUB participation helps to measure an agency's good faith effort in the HUB program.
- HUB certification tracks the success of minority businesses in doing business with the state.

OAG HUB PROGRAM

In accordance with the Texas Government Code, Title 10, Chapter §2161, and the Texas Administrative Code, Title 34, Part 1, Chapter 20 Subchapter B, §20.10 - §20.28, state agencies are required to make a good faith effort to assist HUB vendors in receiving contract awards from the state. The HUB program is designed to promote full and equal opportunity for all companies seeking to do business with Texas.



PROGRAM OBJECTIVES

The goal of the OAG's HUB program is to increase procurement opportunities for minority and women-owned businesses. The OAG is committed to developing its HUB program by actively working with both agency staff and the vendor community. Through the Historically Underutilized Business Program, the OAG seeks to:

- Make a good faith effort to meet or exceed established HUB goals
- Assist businesses in obtaining state HUB certification
- Increase the number of HUB businesses contacted for procurement opportunities
- Educate HUBs about the agency's procurement policies and procedures
- Incorporate HUBs into all areas of agency purchasing activities
- Inform HUBs of OAG procurement opportunities

All businesses participating in the OAG's HUB program must be certified by the Office of the Comptroller of Public Accounts (CPA), the agency which oversees purchasing for state agencies. There is no fee to become certified as a HUB vendor, and certification lasts 4 years. HUBs are listed on the CPA's HUB database which is accessible to all state agencies. HUBs also should consider being registered on the **Centralized Master Bidders List (CMBL)**, since this is the database used most by state purchasers to identify vendors receiving solicitation notices. Vendors who are interested in becoming HUB certified should contact the OAG HUB Coordinator or the CPA to request a HUB application. The CPA now offers an online HUB certification and registration to the CMBL:

<http://www.window.state.tx.us/procurement/registration>

HUB SUBCONTRACTING

The OAG must evaluate probable subcontracting for all contracts with a value of \$100,000 or more over the life of the contract, including any renewal options, and require a HUB Subcontracting Plan Form for contracts, where such opportunities exist. If the agency determines that subcontracting opportunities are probable, a HUB Subcontracting Plan is required for a bid or proposal to be considered responsive. The plan must demonstrate that a good faith effort was made to subcontract work to HUB vendors. HUB prime vendors must also comply with HUB subcontracting plan requirements. Once an award has been made, the

HUB Subcontracting Plan becomes a part of the contract. Compliance with the plan is monitored throughout the contract term. ***You must submit a HUB Subcontracting Plan with your response, even if you are a HUB prime vendor – no exceptions!***

OAG PURCHASING METHODS

Although the regulations of the CPA govern all state procurement, the CPA delegates authority to state agencies to purchase some goods and services. The OAG uses the methods described below to acquire goods and services, depending on the total anticipated cost of an order and the type of items being requested. A large percentage of the agency's purchases are made through state term and DIR Go-Direct contracts.

COMPTROLLER OF PUBLIC ACCOUNTS (CPA) TERM CONTRACTS

The CPA establishes term contracts for specific goods and services based on the overall needs of the state. Agencies must purchase these goods and services from term contracts whenever the items meet their functional requirements. The OAG uses term contracts to make routine purchases of items such as office furniture, equipment and supplies.

DELEGATED PURCHASES

The methods outlined below apply to purchases that the CPA has delegated to state agencies.

Call and Order

Goods and Services \$0.01 – \$5,000.00

For small purchases that do not require competitive bidding, an authorized individual within the OAG Procurement Division may issue a purchase order after obtaining pricing from a single vendor.

Informal Competitive Bid

Goods and Services \$5,000.01 – \$25,000.00

OAG purchasers solicit a minimum of three informal bids from prospective vendors by telephone or with an informal written pricing request. Two of the three bids must be sought from HUBs. The purchaser tabulates responses and makes an award to the vendor that offers the best value to the agency.

Formal Competitive (Sealed) Bid

Services: \$25,000 – \$100,000

For services estimated to exceed \$25,000, the OAG issues detailed written specifications known as an Invitation For Bid (IFB). Vendors must prepare and return bid responses to the OAG Procurement Division by a specified day and time. IFBs are non-negotiable. Bid openings are available to the public and bid responses may be read aloud, if requested. After evaluating the bids received, the purchaser will make an award to the bidder whose response represents the best value to the OAG. All IFB responses become public record following award.

TXMAS (Texas Multiple Award Schedules)

The use of Texas Multiple Award Schedule (TXMAS) contracts has been developed from contracts competitively awarded by the federal government or any other governmental entity of any state. The responsible federal entity, the General Services Administration's (GSA) Federal Supply Service, awards Federal Supply Schedule contracts by competitive procurement procedures for more than 50 schedules covering multiple commodities and services. The prices reflected on GSA schedule contracts are the most favored customer (MFC) prices and the maximum price allowable. TXMAS contracts take advantage of the MFC pricing and, under certain circumstances, an agency or local government entity may negotiate a lower price for the goods or services offered. A "best value" purchase can be made by following the TXMAS purchasing procedures. **Contact Information:** For more information on the TXMAS program, please send an email to txmas@cpa.state.tx.us or call (512) 463-3421.

OPEN MARKET PURCHASES

For commodity purchases greater than \$25,000 and service purchases greater than \$100,000, the agency prepares and sends specifications to the Office of the Comptroller. The Comptroller is responsible for advertising, evaluating, and awarding all Open Market purchases, since authority at this dollar level has not been delegated to agencies. However, upon review of specifications, the Comptroller has the option to grant authority to an agency on a case-by-case basis.

DEPARTMENT OF INFORMATION RESOURCES (DIR)

I.T. GOODS AND SERVICES PURCHASING FOR STATE AGENCIES

In order to save the state money, the 79th Texas Legislature passed and the governor signed H.B. 1516, which requires the Department of Information Resources (DIR) to negotiate favorable prices for commodity items based on aggregate demand. The law further requires state agencies to buy through these contracts unless a formal exemption is obtained. This legislation is intended to provide additional savings to other governmental entities in Texas, such as counties, cities and school districts that use DIR cooperative contracts. Planning and purchasing commodity items through DIR contracts will enable DIR to leverage the purchasing power of all state agencies when negotiating contracts with the vendor community. Aggregating the state's commodity purchases through common contract vehicles will result in (1) reduced information technology costs, (2) decreased administrative costs, (3) maximized value, (4) common IT procurement processes, and (5) an advocate on an enterprise level.

DIR Contact Information

Customer Service: (512) 475-4700 or (800) 348-9157

VENDOR SELECTION THROUGH THE CENTRALIZED MASTER BIDDERS LIST (CMBL)

The OAG obtains the names of prospective vendors from the CMBL and HUB Directory maintained by the Texas Comptroller. The CMBL is a database of vendors who are registered to receive solicitations or notices of solicitations from Texas state agencies. Texas law requires state agencies to use the CMBL for all purchases that require competitive bidding or competitive sealed proposals. A \$70 annual fee is required to be listed on the CMBL. The CMBL registration is available on the Internet at:

[http://www.window.state.tx.us/procurement/registration.](http://www.window.state.tx.us/procurement/registration)

TIPS FOR REGISTERING ON THE CMBL

The CMBL is your contact list to state agency purchasers.

- **Keep the information on your profile current.** If your contact person, address, phone or fax numbers change, update your profile: http://www.window.state.tx.us/procurement/registration/modify_interim.html
- **Very Important:** Make sure you have an updated email address on your profile as most notices of bid solicitations are distributed electronically.
- Carefully choose which commodity code class and item numbers you select for your profile so that the state agency solicitations you receive most closely match the goods and services that your business offers.

TIPS FOR UNCOVERING HIDDEN OPPORTUNITIES REQUIRES RESEARCH

- The Secretary of State's Texas Register announces consulting services bids and other agency reports: <http://www.sos.state.tx.us/texreg/index.shtml>

The Comptroller of Public Accounts' state contracts:

Find lists of state contracts that agencies and local governments can use while meeting their competitive bidding requirements. Follow up with the Comptroller's purchasing team to see when these contracts will come up for bid again. http://www.window.state.tx.us/procurement/contracts/all_term

TIPS FOR RESPONDING TO BID OPPORTUNITIES

- Be certain you have provided all the required documentation including references, financial statements and insurance documentation. Make certain to sign your bid document or your bid could be considered non-responsive.
- **Your bid response must be received by the agency on time – no exceptions.**

TIPS ON WHAT THE OAG LOOKS FOR IN A VENDOR

The OAG seeks quality vendors who can fulfill the agency's needs in a timely and efficient manner at a competitive price. The agency's expectations for vendor performance are outlined below:

- Quote prices Free on Board destination and specify if there are shipping/handling charges.
- Respond to requests for telephone quotes on the same or the following day.
- Return bids or quotes by the scheduled deadline. The OAG cannot accept late responses for any reason.
- Comply with all terms and conditions set out in the Pricing Request, Invitation for Bid or solicitation document.
- Do not be identified on the excluded parties or debarred vendor lists.
- Provide product samples and literature upon request.
- Acknowledge receipt of the purchase order and communicate an estimated delivery date.
- Alert the OAG Procurement Division of any price discrepancies or added charges prior to filling orders.
- Meet or exceed expected delivery schedules.
- Record the correct OAG purchase order number on cartons, packing slips, invoices and other documents connected with the order.
- Communicate delays in established delivery time to the OAG Procurement Division as soon as possible.
- Respond promptly to customer service requests and telephone messages.
- Resolve problems with orders and invoices in a prompt, efficient and professional manner.
- Submit accurate invoices to the OAG Accounts Payable Section.
- Reference OAG purchase order numbers and your taxpayer identification numbers on all invoices.

TIPS FOR KEEPING THE CONTRACT

- Respond to phone calls from the agency in a timely manner.
- Keep lines of communication open with the project manager.
- If delivery deadlines cannot be met in the timeline specified, let the project manager know as soon as possible.
- Meet specifications as written on the RFP or contract. Do not provide a substitute or “like” product unless approved by the purchaser **first**.

INVOICING THE AGENCY

- Send invoices to OAG Accounts Payable. The fax number and address are on the Purchase Order.
Fax: (512) 397-1645
Email: invoices@oag.state.tx.us
Phone: (512) 475-4383
Always reference the Purchase Order number on the invoice.

TIPS FOR TARGETING YOUR BUSINESS TO STATE GOVERNMENT

Each agency must report their HUB expenditures twice per year to the Comptroller’s Office. The results of those reports are listed on the Comptroller’s website. <http://www.cpa.state.tx.us/procurement/prog/hub/hub-reporting/>

HOW TO CONTACT OAG PURCHASING

OFFICE LOCATION

Office of the Attorney General
Procurement Division,
300 West 15th Street, 3rd Floor
Austin, TX 78701

MAIN TELEPHONE:

(512) 475-4333

FAX:

(512) 477-4058

STRATEGIES FOR SUCCESS

- Partner with a larger company that can act as the prime contractor and with whom you can perform part of the work of a state contract. Use a chamber of commerce or minority business council to find potential strategic partners. Some agencies have field offices all over the state and sometimes their remote locations make servicing a contract problematic for a single vendor.

HUB MENTOR/PROTÉGÉ PROGRAM

The State of Texas Mentor-Protege Program is designed to foster long-term relationships between prime contractors and a HUB. The OAG supports the Mentor-Protege Program. For further information:

<http://www.cpa.state.tx.us/procurement/prog/hub/mentorprotege/>

OFFICE HOURS:

Monday through Friday 8:00 a.m. to 5:00 p.m.

FOR MORE INFO:

Office of the Attorney General
HUB Coordinator
P.O. Box 12548
Austin, TX 78711-2548
Telephone: (512) 475-4411
Fax: (512) 397-1622

HELPFUL STATE OF TEXAS RESOURCES

TEXAS ONLINE PORTAL

Access Texas government services online at www.texas.gov

ELECTRONIC STATE BUSINESS DAILY (ESBD)

View state agency procurement opportunities of more than \$25,000.00 at the Electronic State Business Daily website maintained by the Comptroller's Office at <http://esbd.cpa.state.tx.us>. You may sort the ESBD by the NIGP codes you selected in your CMBL vendor profile in order to identify bid opportunities appropriate to your business.

STATE AGENCY LISTINGS

Many state agencies post bid opportunities and/or purchasing information on their own websites. To access most state agency websites:

TRAIL (Texas Records and Information Locator):

<https://www.tsl.state.tx.us/apps/lrs/agencies/index.html>

Capitol Complex Phone Directory for state agencies:

<http://dirpub.dir.texas.gov>

TXDOT district map:

http://www.window.state.tx.us/procurement/tools/proc_forms/bid_districts/

State of Texas HUB applications:

<http://www.window.state.tx.us/procurement/registration>

To check HUB status:

<http://www.window.state.tx.us/procurement//cmb/cmbhub.html>

State Agency HUB Reports:

<http://www.window.state.tx.us/procurement/prog/hub/hub-reporting/>

Economic Opportunity Forum calendar:

<https://portal.cpa.state.tx.us/hub/eof/>

National Institute of Government Purchasing (NIGP) Commodity Code book:

By class and item:

<http://www.window.state.tx.us/procurement/tools/comm-book/>

Alphabetical listing:

http://www.window.state.tx.us/procurement/com_book/alpha_index.html

FEDERAL MINORITY AND SMALL BUSINESS DEVELOPMENT CENTERS

These centers, located in many major Texas cities, offer various types of assistance to minority and small businesses. Minority Business Development Centers can be accessed at: <http://www.mbda.gov>

- View the U.S. General Services Administration Greater Southwest Region Office of Enterprise Development website at: <http://www.gsa.gov>
- The U.S. Small Business Administration website at: www.sba.gov

TYPICAL AGENCY PURCHASES & PURCHASING METHODS

| GOODS OR SERVICE | PURCHASING METHOD |
|--|--|
| Audio Visual Equipment | DIR Go-Direct |
| Auditing Services | Request for Qualifications |
| Books, legal publications | State contract and Direct Publication |
| Building maintenance and repair | Texas Facilities Commission and the landlord |
| Cabling Services | DIR Go-Direct |
| Cell Phone Services | DIR Go-Direct |
| Computer equipment and supplies | DIR Go-Direct |
| Computer hardware/software maintenance | DIR Go-Direct |
| Computer software | DIR Go-Direct |
| Copiers, multi-function devices | Term contract or DIR |
| Court Reporting Services | Competitive Bid |
| Digital Imaging | Council on Competitive Government |
| Furniture | Term Contract, TXMAS, TCI, TIBH |
| Information Technology goods and services | DIR Go-Direct |
| Interpreter Services | Competitive Bid |
| Janitorial Services | Texas Industries of the Blind and Handicapped or Competitive bid |
| Law enforcement equipment and supplies | State contract |
| Litigation Imaging | Competitive Bid |
| Automated Mail Service | DIR bulk printing and mailing services contract |
| Moving Services | TXMAS contract |
| Medical Cost Containment Services | Competitive bid |
| Medical Support Orders | Competitive bid |
| Office equipment and supplies | "Smart Buy" or term contract |
| Parentage Testing | Competitive bid |
| Pre-sort Mailing | Council on Competitive Government |
| Printing Paper | Council on Competitive Government |
| Process Service | Competitive bid |
| Reproduction Printing Services | State print shops or Texas Correctional Industries |
| Security swipe card system maintenance and repair service | Competitive bid |
| Specialized Program Services for Child Support & Crime Victims Divisions | Competitive Bid |
| Shredding Services | TIBH |
| Temporary Personnel | TIBH |
| I.T Technical Temporary Services | DIR Go-Direct |
| Telecommunications Equipment Maintenance | DIR Go-Direct |
| Toner for fax and printers | "Smart Buy" or Competitive bid |
| Training | DIR Go-Direct |
| Translation Services | Competitive bid |
| Vehicle lease | Competitive bid |
| Video Deposition | Competitive bid |
| Video Production Services | Competitive bid |