

Memo To: All UH-Downtown/PS Holders
From: Dr. Loren J. Blanchard, President
Subject: Contracting with Historically Underutilized
Businesses

UH-Downtown/PS 05.A.17
Issue No. 5
Effective Date: 6/27/2024
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1. PURPOSE

- 1.1 This document describes the University of Houston-Downtown's (UHD) commitment to promote the successful development of Historically Underutilized Businesses (HUBs). The programs, policies, and procedures establish guidelines for the use of HUBs 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 \(HUBs\)](#).

2. DEFINITIONS

- 2.1 Historically Underutilized Business (HUB): 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 economically disadvantaged because of their membership in a certain group, including Black Americans, Hispanic Americans, Women, Asian Pacific Americans, Native Americans, and Service Disabled Veterans who have suffered the effects of discriminatory practices or other insidious circumstances over which the persons has no control.

3. POLICY

- 3.1 The Texas Comptroller of Public Accounts is responsible for administering and maintaining the State's Historically Underutilized Business Program for minority and women-owned businesses. The Texas Comptroller of Public Accounts assists state agencies, universities and other organizations, to identify HUBs and facilitate

the process of obtaining State certification as noted on the Texas Comptroller of Public Accounts [website](#).

- 3.2 In efforts to promote the successful development of HUBs the University pledges to:
 - 3.2.1 Assist in completion of the HUB application process.
 - 3.2.2 Encourage competition by expanding the number of vendors providing goods and services to the University, with the goal of improving quality and economy of goods and services purchased by the University.
 - 3.2.3 Provide in-house training and education to departmental purchasing personnel to identify HUB vendors and the benefits of participating in the program.
 - 3.2.4 Heighten awareness throughout the University for personnel making procurement decisions concerning the capabilities of HUB vendors.
 - 3.2.5 Conduct forums and fairs in which HUB vendors may present their products, technical and business presentations to the University community.

4. PROCEDURES

- 4.1 In order to comply with State and System's mandates for HUBs, UHD employees must adhere to the procedures outlined below.
 - 4.1.1 For purchases of goods and/or services equal to or greater than \$10,000 on federal funds, and equal to or greater than \$15,000 on all other fund types, departments must utilize a purchase requisition. Upon receipt of the purchase requisition, the UHD Purchasing Department shall follow the steps outlined:
 - 4.1.1.A Requisitions equal to or greater than \$10,000 on federal funds, and equal to or greater than \$15,000 on all other fund types and not subject to bidding exemption (i.e., sole source, emergency, etc.) require a minimum of three **informal** bids, including two from a certified HUB vendor.

- 4.1.1.B On purchases over \$25,000 and not subject to bidding exemption (i.e., sole source, emergency, etc.) require a minimum of three **formal** written bids, including two from a certified HUB vendor.
- 4.1.2. For purchases of goods and/or services less than or equal to \$10,000 on federal funds, and less than or equal to \$15,000 on all other fund types, departments should make every effort to utilize HUBs. The Purchasing department may be contacted for assistance in identifying potential HUB vendors.
- 4.2 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.
- 4.3 The University Purchasing Department utilizes the HUB directory provided by the Texas Comptroller’s Office when selecting potential suppliers and subcontractors for commodities, services, and construction contracts.
- 4.4 All contractors will be required to comply with [Title 34, Part 1, Chapter 20, Subchapter D, Division 1, Rule 20.281 of the Texas Administrative Code](#), regarding subcontracting and HUB good faith effort requirements.

5. REVIEW PROCESS

Responsible Party (Reviewer): Executive Director, University Business Services & HUB Coordinator

Review Period: Every three years on or before August 1, and as necessary

Signed original on file.

President

6. POLICY HISTORY

Issue #1: 09/30/94

Issue #2: 01/29/14

Issue #3: 05/03/19

Issue #4: 04/10/20

7. REFERENCES

[Texas Government Code Chapter 2161](#)

[SAM 03.B.02, Contracting with Historically Underutilized Businesses \(HUBs\)](#)

[Title 34, Part 1, Chapter 20, Subchapter D, Division 1, Rule 20.281 of the Texas Administrative Code](#)

[Texas Comptroller of Public Accounts](#)

8. EXHIBITS

There are no exhibits associated with this PS.