

14th Annual Doing Business Texas Style Spot Bid and



HUB Subcontracting Plan (HSP) Preparation Training

Presented By:

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Questions and Answers

Q1. Why is using the CMBL so important?

Response: By law, state agencies and vendors are required to use the Centralized Master Bidders List, the HUB Directory, the Internet, and other directories, identified by the comptroller, for HUBs that may be available to perform the contract work.

Q2. Is it not a case that some HUBs are not on the CMBL?

Response: Texas certified HUBs may also elect to register on the CMBL. You are encouraged to select the ALL VENDOR search option when seeking CMBL and HUB vendors for procurement opportunities.

Q3. If a HUB approaches Prime, and Prime hasn't sent them a letter to invite, I presume that is still o.k.?

Response: Networking in advance of procurement opportunities is encouraged.

Q4. If the prime bidder is a hub are we required to use hubs for subcontracting?

Response: Once the state agency determines the probability of subcontracting opportunities, all prime vendors must submit a completed HSP.

Q5. In your opinion what's been the best process you've seen by institutions when it comes to the promotion of HUB vendors?

Response: State agencies are required to design a program of forums in which HUBs are invited by state agencies to deliver technical and business presentations that demonstrate their capability to do business with the state agency. The program can consist of providing marketing information that will direct HUBs to key staff within the agency; planning of HUB forum when necessary; and informing HUBs about potential contract opportunities. Each agency's program may vary to meet the needs of the individual agency.

Q6. If we are a small subcontractor HUB business, would we typically need to complete an HSP or is this only for GC's or primes?

Response: The GC/prime vendor responding to the bid, offer, proposal etc. is required to complete the HSP as part of the response to the solicitation.

Q7. Where exactly is the list of minority/women trade organizations or development centers on the CPA website?

Response: It is listed under Purchasing, HUB, HUB and Business Resources. You can access it on this link:

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

Q8. If we don't receive a response from a trade organization, should that be marked as Accepted or Rejected in the form?

Response: If you don't receive a response, and didn't receive an email that says the email failed, you can mark as received. Indicate no response from the trade or minority organization.

Q9. So if you are self-performing 75% of the contract and 25% is a 1099 what version would we use? If we are the HUB certified and the 25% may or may not be HUB certified. Do we have to advertise to other HUBs?

Response: Self performing means the prime will NOT be subcontracting any portion of the contract and will utilize its own resources in completing the project. Subcontractor means a person who contracts with a prime contractor to work, to supply commodities, or to contribute toward completing work for a governmental entity. If the solicitation states there is probability of subcontracting opportunities, all prime vendors must comply with the good faith effort requirements to recruit HUB subcontractors for each opportunity.

Q10. What if the Prime has a working contract with their subcontractor, and has not met the goal, when filling out Attachment B do they still have to notify 3 hub vendors?

Response: If the respondent WILL NOT meet the HUB subcontracting goal as identified in the HSP, the prime must notify at least three HUB businesses for each subcontracting opportunity that the respondent intends to subcontract.

Q11. We are a Subcontractor and we perform all our work 100%. We don't sub any work. I need to know what form and what part needs to be fill out.

Response: Complete the self performing sections within the HSP.

Q12. Can sub contractors be an offshore entity?

Response: Read the solicitation document for language that allows or does not allow offshore subcontracting. One of the Texas HUB Certification requirements is to have at least one year of Texas residency.

Q13. What option should be followed if you are going to subcontract, but not meet the goal percentages? For example: Let's say a piece of equipment costs \$100,000 but the related services (install) services only cost \$10,000, \$5,000 of which is subcontracted to a HUB. So if the goal was 21.1%, then we were only able to achieve less than 5 % subcontracted.

Response: Each state agency that considers entering into a contract with an expected value of \$100,000 or more over the life of the contract (including renewals) shall, before the state agency solicits bids, proposals, offers, or other applicable expressions of interest, determine whether subcontracting opportunities are probable under the contract. The procurement categories have established goals and the good faith effort establishes subcontracting to largest extent possible.

Q14. If attachment A is filled out does the Prime need to need to show proof that they contacted 3 HUBs?

Response: If a properly submitted HUB subcontracting plan contains minor deficiencies (e.g., failure to sign or date the plan, failure to submit already-existing evidence that three HUBs were contacted), the state agency may contact the respondent for clarification to the plan if it contains sufficient evidence that the respondent developed and submitted the plan in good faith.

Q15. I'm still confused about meeting the HUB goal if I am a HUB and I am the Prime for professional services. Typically, our consultants make up about 35-40% of our fee which leaves 60-65% that we are self performing. I understand we still need to fill out an HSP, but

are we required to use other HUB consultants even if we already surpass the HUB goal with our own resources?

Response: Self performing means the prime will NOT be subcontracting any portion of the contract and will utilize its own resources in completing the project. Subcontractor means a person who contracts with a prime contractor to work, to supply commodities, or to contribute toward completing work for a governmental entity. If the solicitation states there is probability of subcontracting opportunities, all prime vendors must comply with the good faith effort requirements to recruit HUB subcontractors for each opportunity.

Q16. We can chose from the HUB Directory and be compliant?

Response: By law, state agencies and vendors are required to use the Centralized Master Bidders List, the HUB Directory, the Internet, and other directories, identified by the comptroller, for HUBs that may be available to perform the contract work.

Q17. There is a \$70.00 fee required for all vendors?

Response: The CMBL is a master database used by the state of Texas purchasing entities to develop a mailing list for vendors to receive bids based on the products or services they can provide to the state of Texas. The CMBL annual registration fee is \$70.

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Response: Many state agencies post their pre-proposal or pre-bid sign in sheet on the ESBD as an addendum. The ESBD is a free online site where state agencies post solicitations over \$25,000.

Q19. Are Prime contractors listed on the CMBL?

Response: Not all prime vendors are registered on the CMBL.

Q20. Not all prime vendors are registered on the CMBL.

Response: The training discusses the State of Texas Historically Underutilized Business (HUB) program and does not apply to the federal SBA HubZone programs.

Q21. If a Prime Vendor is using a Sole Source Subcontractor and has not met the goal, how do we annotate that on attachment B?

Response: If the respondent WILL NOT meet the HUB subcontracting goal as identified in the HSP, the prime must notify at least three HUB businesses for each subcontracting opportunity that the respondent intends to subcontract. If a HUB is not selected you are required to provide justification why a HUB was not selected.

Q22. If a non-HUB Prime can provide the products/services themselves, without the use of a subcontractor, does it negatively impact their scoring for award?

Response: The HSP is a pass/fail process. If the prime does not submit the HSP, the solicitation response fails to move to the evaluation phase.

Q23. Did you say LBB web site?

Response: Legislative Budget Board: <https://www.lbb.state.tx.us>

Q24. Using the CMBL, how does a small business find the primes (what indicates that org is a prime) so we can introduce ourself to them for future opportunities.

Response: Each state agency is required to post contracts on their website pursuant to Texas Government Code, Chapter 2261.253.

Q25. I just contacted CMBL on yesterday to update our HUB cert they are not taking any applications or any renewals until July they are going paperless.

Response: The HUB certification application process is going paperless! We're launching a new online system this summer. As we work to get the new system ready, we're going to put a hold on new applications from April 24 to June 27. That means they will not be able to process any paper applications received after April 23 at 5 p.m.

Q26. What was the website she mentioned that lists all awarded vendors?

Response: Texas SmartBuy/Electronic State Business Daily.
<http://www.txsmartbuy.com/esbd>

Q27. I work at Angelo State University = can you send me the link to the recording and also the presentation so I can send this internally to our purchasing office as well as externally to some of the construction vendors I know couldn't make the training? thank you - jennifer.lennon@angelo.edu

Response: The link will be provided and available from the DIR website.

Q28. If already HUB certified, is the 3:15 class still possibly useful?

Response: You have an option to participate and obtain possible new information or any renewal details.

Q29. To the comment you made at the beginning of this session, how can us small businesses attending network with others when the chat function is disabled. Is there another way?

Response: You can find HUB vendors on the Comptroller's CMBL/HUB Directory. You may also visit the website for the Calendar of Events that lists upcoming HUB Forums. <https://comptroller.texas.gov/purchasing/vendor/hub/>

Q30. Where can I locate my certification number?

Response: The certification number as well as your business profile is listed on the CMBL directory or if you are not registered on the CMBL it is located on the HUB directory on the comptroller's website.