



ADMINISTRATIVE  
POLICIES AND PROCEDURES MANUAL

DATE ISSUE  
2/01/92

REVISION

PAGE  
E1-160.0

SUBJECT

PURCHASING

SUB-TOPIC

**HISTORICALLY UNDERUTILIZED BUSINESSES (HUB) DEVELOPMENT**

The Purchasing Department at UTD participated in and supports the formation and acceptance of the Policy on Contracting with Minority and Female-Owned Small Business Firms as approved August 9, 1990 by the Board of Regents. Subsequent legislation created specific rules defining the "good faith effort" required by all state agencies to stimulate opportunities for Historically Underutilized Businesses (HUB). (See Exhibit E30.)

I. POLICY STATEMENT

- A. Purpose: It is the policy of The University of Texas System to promote full and equal opportunity for all businesses to provide materials, supplies, and equipment, as well as construction, professional and other services needed to support the mission, administrative and logistical operations of the U.T. System Administration and U.T. System component institutions.
- B. Scope: This policy applies to all procurement and contract activities of the U.T. System and component institutions, including auxiliary enterprises.
- C. Definitions: "Historically Underutilized Business (HUB)" means a business enterprise:
1. That is independently owned and operated in the State of Texas, formed for the purpose of making a profit, and has fewer than 100 employees or less than \$1,000,000 in annual gross receipts.
  2. At least 51% of which is owned or controlled by one or more persons who is/are socially and economically disadvantaged because of his or her identification as a member of certain groups, including women, Black Americans, Mexican Americans and other Americans of Hispanic origin, Asian Americans, and American Indians.

II. SYSTEM AND COMPONENT RESPONSIBILITIES

- A. Procedures: In order to achieve this policy, the office or department exercising the central purchasing function in the U.T. System and each component institution will:
1. Prepare, publicize, and distribute information about procurement procedures and policies in a manner designed to encourage minority and female-owned small businesses to do business with the System or component.



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**HISTORICALLY UNDERUTILIZED BUSINESSES (HUB) DEVELOPMENT, Continued**

2. Maintain updated lists of minority and female-owned small businesses through communication with the U.T. System, the local minority business community in the component city, the General Services Commission, and the Texas Department of Economic Development.
3. Ensure, whenever possible, that one or more qualified minority and female-owned small business is included in solicitations requiring more than one bid or proposal.
4. Specify personnel within the office or department to communicate with minority and female-owned small businesses to assist such companies in understanding purchasing procedures and to encourage their bidding or submitting proposals on goods and services for which they are qualified.
5. Award tie bids to minority and female-owned small businesses wherever consistent with state and federal laws and General Services Commission regulations.
6. Adopt in conjunction with the U.T. System and other purchasing departments and offices information forms for minority and female-owned small businesses with pertinent qualifying data.
7. Ensure that offices, departments, or divisions of the U.T. System or a component institution not required to handle contracts through the System's or component's central purchasing unit have access to the minority and female-owned business lists.
8. Report to the U.T. System's Office of Business Affairs on an annual basis the number, types, and value of contracts awarded to minority and female-owned small businesses in the year preceding the determination and the ratio of the number and value of those contracts to the number and value of those contracts awarded by the U.T. System or component institution in that year.