

**UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM**

SECTION: Fiscal Affairs

NUMBER: 03.B.02

AREA: Purchasing

SUBJECT: Contracting with Historically Underutilized Businesses (HUBs)

1. PURPOSE

1.1. The University of Houston System supports and encourages historically underutilized businesses (HUBs). The programs, policies, and procedures described in this Administrative Memorandum apply to all purchases and procurement for goods and services for the University of Houston System and its components.

2. DEFINITIONS

2.1. For the purposes of this policy, a “historically underutilized business” is a corporation, sole proprietorship, partnership, or joint venture, with a principal place of business in this state, 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, and Native Americans and who have suffered the effects of discriminatory practices or other similar insidious circumstances over which the person has no control. (See Government Code Section 2161.001.)

3. ADMINISTRATION

3.1. The Vice Chancellor for Administration and Finance or his designee shall have overall responsibility for the planning, coordination, implementation, and enforcement of the policy and may develop rules and guidelines necessary for its implementation, including the integration of the policy into the purchasing and procurement processes of each component.

3.2. Each component’s purchasing office will appoint an employee (HUB Coordinator) to carry out the provisions of this policy at the university level. A component with a biennial budget more than \$10 million must appoint a HUB Coordinator who is equal to the position of the component’s Procurement Director (Procurement Director may serve in this capacity). Coordinators shall:

- a. coordinate training programs to recruit HUBs.

- b. report required information to the General Services Commission (GSC).
 - c. match HUBs with key staff within their agency (See Government Code Section 2161.062(e))
 - d. make a good faith effort (GFE) to increase the award of goods and services contracts to HUBs in accordance with the adopted rules implemented as a result of the Disparity Study (See Government Code Section 2161.81).
 - e. implement a HUB program as set forth by legislation and the rules promulgated by the GSC.
- 3.3. The Office of the Vice Chancellor for Administration and Finance will provide components with support, as needed, to implement the HUB program as set forth by legislation and the rules promulgated by the GSC.

4. THE PURCHASING PROCESS

- 4.1. The Purchasing Department of each component shall actively assist HUBs in learning how to conduct business with the UH System.
- 4.2. Each component shall attempt to increase the participation of HUBs in the purchasing process by selecting bids or proposals submitted by such businesses whenever those bids or proposals are comparable to other bids or proposals received, and whenever such a selection does not conflict with state or federal law.
- 4.3. When authorized by law, the components shall minimize the amount of any performance bond required with contracts when contracting with HUBs.

5. ASSESSMENT

The Financial Administrative Computing System will provide summary reports on HUB vendor participation for each component and work with each component HUB Coordinator to ensure that a correct and accurate HUB report is prepared. Each component shall report annually, coinciding with the state-generated HUB reports to the Vice Chancellor for Administration and Finance on HUB-related activities.

6. REVIEW AND RESPONSIBILITY

Responsible Party: Vice Chancellor for Administration and Finance

Review: Odd numbered years on or before May 1

7. APPROVAL

Approved: Arthur K. Smith
Chancellor

Date: January 11, 2000

8. INDEXING TERMS

Minority
Minority Business
Women-owned Businesses