



HUB Post-Award Training Transcript

Slide 1:

We will be covering the HUB post contract award process and training. We hope this is a useful resource and addresses how to stay compliant when it comes to HUB-related deliverables.

Slide 2:

The agenda for this HUB Post Award training is as follows:

1. HUB Program Office roles, responsibilities, and restrictions or limitations; and
2. Subcontractor notifications and what is required for that aspect.

Slide 3:

We will review the HUB Reporting aspects, including how to submit, what information is required and understanding what Progress Assessment Reports (PARs) are, and the importance role they play in reporting and compliance.

We will learn all about (HUB Subcontracting Plan) HSP changes, including what types of potential changes could be required, the possibility for avoiding non-compliance issues that may result in breach of contract or negatively impact your vendor performance score. We do not want that to happen, so we will discuss the HSP requirements and obtaining proper approvals.

Slide 4:

In addition, we will take a look at the overall HUB Program regarding:

- reviewing the CMBL/HUB Directory;
- determining HUB vendor statuses; and

-
- understanding what regulates and constitutes a good faith effort for the HUB Subcontracting Plan or HSP; and how the HUB Program office may assist you in staying in compliance.

We will conclude with the contact information for our HUB Program office for any follow-up HUB-related questions.

Slide 5:

The HUB Program Office is responsible for overseeing the Prime Contractor's HUB Subcontracting Plan (HSP) and Progress Assessment Reports (PARs) to assure all commitments regarding the measurement of level-of-effort toward the HUB goals and percentages are met.

We encourage all of prime contractors to meet both the contract and agency's HUB objectives.

We will notify the Program Manager of Contractor's performance status relating to HUB requirements that are factored into the Vendor Performance Score for each contract.

The HUB office is able to provide Technical Direction in accordance with HUB State and administrative law (rules) as well as the agency's policies as required

We can also confirm prime utilization/payment data.

Slide 6:

The HUB Office is not able do the following:

- Make changes to or provide legal interpretations on the contract's scope of work, delivery schedule, terms and conditions, or any other contract specifications, **unless it relates to the HUB requirements.**
- Give direction (outside of HUB) to the contractor or to employees of the contractor.
- Resolve any dispute concerning questions of fact or law arising under the contract.
- Offer advice to the contractor which may affect the performance of or compromise the contract and rights of the HHSC or the State of Texas.

-
- Nor does the HUB office authorize the expenditure of funds, as this is a separate accounting function of the agency.

Slide 7:

Notification of the prime contractor's selected subcontractors must be submitted within 10 days after the award.

The notices should be emailed directly to the assigned HUB coordinator.

This requirement is listed on Page 3 under "Section 4: Affirmation" of the HSP document.

The notifications must contain the contractor's point of contact information, the awarded contract information, the subcontracting item, and the dollar and percentage amount that the respective subcontractor will be performing.

Slide 8:

The HUB deliverable report submission requirement includes submitting via the HUB PAR mailbox: HUB_PAR@hpsc.state.tx.us.

The Texas Comptroller of Public Accounts (CPA) has approved the existing Progress Assessment Report (PAR) form. It needs to be completed with all required information.

Supporting documentation is required to confirm the subcontracting payments on the PAR form (i.e. prime's invoice to agency), and a copy of the associated PARs will need to be submitted with the associated invoices, as a condition of payment.

To prevent your payment from being delayed, please ensure you submit the required reporting deliverable to the PAR mailbox as well as to the instructed mailbox for submitting pay requests.

- All subcontractors' payments (HUBs and Non-HUBs) should be listed.
- Even Self-Performing contractors who are not subcontracting any of their work must still submit these PARs with each payment request.

Slide 9:

The required HUB reporting information is for the HUB PAR, to collect data for reporting submission. Please also include the invoice number associated with this information.

As previously stated, a copy of the PAR form needs to be submitted with the invoice as required for condition of payment.

Both what was paid directly to the Prime Contractor as well as to any and all Subcontractors (for HUBs and Non-HUBs) does need to be reported on the PAR. In the event your company does not have any subcontractors then only payments paid directly to you will be reported.

Slide 10:

This slide is a snapshot of what the actual PAR form looks like.

COMING Soon: additional information on how to fill out and submit the PARs can be found on our website. Check back on our website for additional resources.

Slide 11:

In order to make HUB Subcontracting Plan changes, you need to understand their requirements:

According to Texas statute, when a contract is awarded, the HSP actually becomes a part or provision of the contract and therefore **MUST** be implemented in good faith.

We do understand there will be circumstances where you may need to make revisions or changes to your HSP.

However, please be aware that there is a process in place to do so. If you make any of these changes **without prior HUB office approval, it can be considered a breach of contract** under Section F, Maintaining Records, part 5, which states: "If the prime contractor failed to implement the HUB subcontracting plan in good faith, the state agency may report the nonconformance and may revoke the contract for breach of contract. It may

also result in being barred from all state contracts for a period of up to five years.”

In addition, HSP noncompliance issues are factored into the Vendor Performance Score that is provided to the Texas CPA. It may impact your score, which is a consideration for future contract awards for state contracts.

We would hate for you to lose your contract with the state, so understand the HSP requirements and follow the HSP approval process, which is listed on the following slides.

Slide 12:

The purpose of the HUB Program is to encourage and promote HUB participation across the entire state of Texas. However, we understand there may be unexpected changes and things that happen beyond your control.

You are able to make changes to your HSP including scope of work changes involving the use of additional subcontractors or even amending portions of your previously identified self-performing areas of work.

In addition, you are able to add, remove, or even replace any of your subcontractors, as well as adjust the dollar amounts and/or percentages.

Slide 13:

Making additions or substitutions to the HSP requires compliance with the Good Faith Effort (GFE) requirements. There are a few different ways to achieve the GFE requirements, which are referenced on slide 14.

Slide 14:

The GFE Requirements include:

- Utilizing all active and certified HUBs as it is the quickest and easiest way to have the HSP revised and approved.
- Participating in a Mentor-Protégé relationship. The approved agreements will be listed on the CPA's website.
- Utilizing the Solicitation Method, which is the most timing consuming and requires the most documentation to be provided.

We will take a more in-depth look at each of the options.

Slide 15:

You must utilize only currently certified, active HUBs.

In order to substantiate that the subcontractor(s) are currently active HUBs, you will need to include copy of HUB profile on CMBL/HUB Directory, as well as a PCS 424 form, also known as the HSP Change Request Form.

Slide 16:

GFE – Mentor-Protégé requirements:

This is when the Prime = Mentor and the Protégé = HUB.

In order to utilize this option, the relationship must be approved and listed as a State of Texas-sponsored Mentor and Protégé agreement on CPA's website.

Mentor-Protégé agreements are administered or sponsored through state agencies or universities. This means that you would not need a new agreement for each and every governmental entity for which you perform work. If you have an existing active Mentor and Protégé agreement for one

agency you would not need to submit a request for another agency or university.

Again, in order to substantiate the protégé is a currently active HUB, you will need to include copy of HUB profile on CMBL/HUB Directory as well as a PCS 424 form or the HSP Change Request Form.

Slide 17:

Finally, the **GFE – Solicitation Method requirements:**

You **must** contact a minimum of 3 HUBs (per subcontracting opportunities) & 2 Minority/Women Trade Organizations/Business Development Centers in writing by email, fax, or certified letter and you must allow them a minimum of 7 business days to respond. The day the information is sent is zero and the following business day actually starts the clock.

Please keep in mind that this method will essentially delay the approval process by two or more weeks.

Slide 18:

Continuing with the **GFE – Solicitation Method** and what is required to provide. Which is a completed PCS 424 form, a copy of HUB Profiles again from the CMBL/HUB Directory, **and** copies of either the sent emails, fax log, or certified letters as supporting documentation.

Slide 19:

Because HSP changes can only be made after the contract award it is important to understand the approval process.

Once the need for a HSP revision is determined, the first step is to submit written notice of the requested change. This can be done via email (and the PCS 424 form or HSP Change Request Form) explaining the:

- *Who or what* exactly needs to be revised regarding your HSP;
- *why* you are making the change; and
- *how* you have performed or met the Good Faith Effort requirements of the HUB Program.

The PCS 424 will be used along with the additional supporting GFE documentation (based on whichever method you choose). Please send this information to HHSCHUB@hhsc.state.tx.us so we can address this in a timely manner.

The PCS 424 will require three signatures, including your contract manager / program point-of-contact for final approval.

All prime contractors need to obtain proper approvals ***before engaging*** with any new subcontractors!

Slide 20:

HSP Non-compliances:

If you make changes without prior HUB office approval, it can be considered a breach of contract under Section f) Maintaining Records, part 5: "If the prime contractor failed to implement the HUB subcontracting plan in good faith, the state agency may report the nonconformance and may revoke the contract for breach of contract. It may also result in being barred from all state contracts for a period of up to five years."

The following link will take you to the TAC Rule in the Texas Administrative Code:

[https://texreg.sos.state.tx.us/public/readtac\\$ext.TacPage?sl=R&app=9&p_d ir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=34&pt=1&ch=20&rl=285](https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_d ir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=34&pt=1&ch=20&rl=285)

In addition, HSP noncompliance issues are factored into the Vendor Performance Score that is provided to the Texas CPA. **Remember:** these scores are considerations for future contract awards for state contracts.

We do want you continue working with you, so please avoid these HSP non-compliance issues.

Slide 21:

Under the statewide HUB Program, the CPA's Central Master Bidders List (CMBL)/HUB Directory can be used to locate new potential HUB vendors, determine their ethnicity or gender, check certification status, and locate the HUB expiration dates.

For additional assistance with finding HUBs, refer to our online training resources or contact the HUB Program Office for assistance.

Slide 22:

In order to maintain your HSP compliance, you as prime contractor must:

- make a Good Faith Effort to utilize the subcontractors listed on their HSPs in the manner described on the HSP; and
- submit to the agency for approval to update the HSP as soon as the need is identified;
 - Obtain prior written agency approval prior to engaging a subcontractor. **Remember:** a subcontractor is someone who can fulfill products such as materials, supplies, services, and/or equipment. 1099 employees are considered independent contractors and are defined as a subcontractor.
- submit PARs by the established deadlines.

Slide 23:

This is the contact information for our main HUB email box and phone line, if you have any additional Post Contract award or HUB deliverable related questions this training did not cover, or if you have any HUB questions during the contract, please contact the HUB Program Office at HHSSHUB@hhsc.state.tx.us or by calling (512) 406-2570.

In addition, the PAR email address has been provided for your reference as well: HUB_PAR@hhsc.state.tx.us.

Slide 24:

This concludes the HUB Post Award Training Webinar. Thank you for your time attending this training.