

HUB Subcontracting Plan FAQ Sheet

Q: What is a HUB Subcontracting Plan? I've never had to fill out one of these before.

A: Texas Government Code 2161 requires that all State agencies include a HUB Subcontracting Plan in contracts with an expected value of \$100,000 or more. Agencies are required to identify probable areas of subcontracting in the scope of the work as it's defined in the bid, proposal or other expression of interest.

Q: What happens if I do not include a completed HUB Subcontracting Plan with my response?

A: If probable subcontracting has been declared by the agency and a completed HUB Subcontracting Plan is not included with your response, ***your response will be disqualified as not meeting advertised specifications.***

Q: If I am a HUB Vendor, do I have to fill out a HUB Subcontracting Plan?

A: Yes!! If the agency has declared that there are probable subcontracting opportunities in the scope of the work as it's defined in the bid opportunity, a HUB Subcontracting Plan ***must*** be completed and returned with your response or it will be considered as a material failure to comply with advertised specifications (TX Government Code 2161.252 (b)).

Q: Does this mean that I am required to subcontract a portion of the work in order to bid on state contracts?

A: If your business is not able to complete the entire scope of the work as it's defined in the bid, proposal or other expression of interest with internal staff and resources (staff being paid as W2's), then responding vendors are required to make a Good Faith Effort to do business with State of Texas certified HUBs in ***all areas*** that you will be subcontracting.

Q: What does a Good Faith Effort mean?

A: According to TX Government Code 2161.253 Good Faith Effort includes all of the following steps:

- Divide the work into reasonable lots according to industry standards and practices
- Provide written notification of the subcontracting opportunity to a minimum of 3 State of Texas certified HUBs
- Identify the area(s) to be subcontracted and include information on the scope of work, requirements, certifications, and other pertinent information, and a contact person who can answer further questions about the subcontract or provide other vital information about the subcontracting opportunity
- Give the HUB vendors **no less than 5 working days** to respond to the Prime vendor prior to bid close
- Provide written notification of the subcontracting opportunity to minority or women trade organizations or business development centers.
- Negotiate with responsive vendors in good faith, not disqualifying a HUB vendor, and provide written justification of the selection process if a Non-HUB vendor is selected

Q: What do I put in Section 2 of the HUB Subcontracting Plan?

A: Identify the areas of the scope of work that you intend to subcontract by word description and commodity code class and item such as Printing (966-59), Mail Sorting (915-58) or Document Shredding (966-71), Data Entry Services (920-21), etc. A full list of commodity codes can be found at the following link: http://www2.cpa.state.tx.us/com_book/index.html

Q: What do I put in Section 3 of the HUB Subcontracting Plan?

A: Copy a Page 2 for each subcontracting opportunity. Identify which subcontracting opportunity you listed in Section 2.

Q: What do I put in Section 7?

A: List the three State of Texas certified HUB vendors you notified regarding the portion of the work listed in Section 3. Specify their Vendor Identification Number or Federal Employer Identification Number, the date you provided notice and if you received a response. *Always* attach the supporting documentation (letters, phone logs, fax transmittals, e-mails etc) to your response with the HUB Subcontracting Plan demonstrating evidence of the Good Faith Effort that was performed.

Q: What should I put in Section 8?

A: List the subcontractors you selected to perform the portion of the work listed in Section 3. Also you must specify the expected percentage of work to be subcontracted, the approximate dollar value of the subcontract and indicate if the company is Texas HUB Certified or not.

Q: What do I do if I select a Non-HUB vendor, will my response be disqualified?

A: No. Your response will not be disqualified, but you must include a detailed written justification of your selection process with your HUB Subcontracting Plan.

Q: I can perform the entire scope of work without subcontracting, what do I do?

A: Complete Section 9, “Self Performance Justification”. You must include a written detailed description of how your internal employees (W2’s) are able to complete *the entire scope of work* without subcontracting. Include with your HUB Subcontracting Plan response any required certificates (Microsoft Project Manager, Cisco certifications, etc) of your staff who will be performing the work.

Q: Sometimes I use contract employees. How does the State view them?

A: If you are paying contract employees as 1099’s, by State definition, they are not considered as your employees.