



### 6.8.3 Definitions

Chapter 6 - Fiscal	Original Effective Date: May 2000
Section: 6.8 Historically Underutilized Business (HUB)	Date Last Reviewed: March 2019
Responsible Entity: Assistant Vice President for Business Affairs	Date Last Revised: March 2019

#### I. Purpose

This policy establishes consistent definitions for terms used in Section 6.8 - Historically Underutilized Business (HUB).

#### II. Scope

This policy ensures clear and consistent interpretation of terminology used in all Fiscal policies related to Historically Underutilized Business (HUB).

#### III. Policy

Terminology defined in this policy will have consistent meaning through the entirety of Section 6.8 - Historically Underutilized Business (HUB).

#### IV. Definitions

*When used in this document, the following words have the meaning set forth below unless a different meaning is required by context.*

Certified Master Bidders List (CMBL) – The CMBL is a master database used by 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. Manufacturers, suppliers, and other vendors wishing to furnish materials, equipment, supplies, and services to the state should register for the CMBL to receive bidding opportunities. <https://comptroller.texas.gov/purchasing/vendor/cmb/>

Economically Disadvantaged Person – An eligible Historically Underutilized Business (HUB) owner whose business has not exceeded the graduation size standards according to the comptroller's graduation procedures in TAC, Title 34, Part 1, Chapter 20, Subchapter D, Division 1, [§20.294](#)

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Historically Underutilized Business (HUB) – A business outlined in subparagraphs (1) - (6) of this paragraph that is certified by the State of Texas and has not exceeded the size standards established by TAC, Title 34, Part 1, Chapter 20, Subchapter D, Division 1, [§20.294](#) with its principal place of business in Texas:

1. a corporation formed for the purpose of making a profit in which at least 51% of all classes of the shares of stock or other equitable securities are owned by one or more persons as defined in Owner or Qualifying Owner;
2. a sole proprietorship created for the purpose of making a profit that is 100% owned, operated, and controlled by a person as defined in Owner or Qualifying Owner;
3. a partnership formed for the purpose of making a profit in which 51% of the assets and interest in the partnership is owned by one or more persons as defined in Owner or Qualifying Owner;
4. a joint venture in which each entity in the joint venture is a HUB under this paragraph;
5. a supplier contract between a HUB under this paragraph and a prime contractor under which the HUB is directly involved in the manufacture or distribution of the supplies or materials or otherwise warehouses and ships the supplies; or
6. a business other than described in subparagraphs (2), (4), and (5) of this paragraph, which is formed for the purpose of making a profit and is otherwise a legally recognized business organization under the laws of the State of Texas, provided that at least 51% of the assets and 51% of any classes of stock and equitable securities are owned by one or more persons as defined in Owner or Qualifying Owner.

HUB Subcontracting Plan (HSP) – Written documentation regarding the use of subcontractors, which is required to be submitted with all responses to state agency contracts with an expected value of \$100,000 or more where subcontracting opportunities have been determined by the state agency to be probable. The HUB subcontracting plan subsequently becomes a provision of the awarded contract and shall be monitored for compliance by the state agency during the term of the contract.

Mentor-Protégé Program – A program designed by the comptroller to assist agencies in identifying prime contractors and HUBs to foster long term relationships and for potential long-term contractual relationships. Each agency required to have a HUB coordinator is required to implement the Mentor-Protégé Program in accordance with TAC, Title 34, Part 1, Chapter 20, Subchapter D, Division 1, [§20.298](#).

Non-Treasury Funds – Funds that are not state funds subject to the custody and control of the comptroller and available for appropriation by the legislature.

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Owner or Qualifying Owner – A natural person or persons who:

1. are residents of the State of Texas as that term is defined in Resident of the State of Texas;
2. have a proportionate interest and demonstrate active participation in the control, operation, and management of the entities' affairs; and
3. are economically disadvantaged because of their identification as members of the following groups:
  - a. Black Americans, which includes persons having origins in any of the Black racial groups of Africa;
  - b. Hispanic Americans, which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
  - c. American Women, which includes all women of any ethnicity except those specified in clauses (a), (b), (d), and (e) of this subparagraph;
  - d. Asian Pacific Americans, which includes persons whose origins are from Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U.S. Trust Territories of the Pacific, the Northern Marianas, and Subcontinent Asian Americans which includes persons whose origins are from India, Pakistan, Bangladesh, Sri Lanka, Bhutan or Nepal;
  - e. Native Americans, which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians; and
  - f. Veterans as defined by 38 U.S.C. §101(2) who have suffered at least a 20% service-connected disability as defined by 38 U.S.C. §101(16) who are not Black Americans, Hispanic Americans, American Women, Asian Pacific Americans, or Native Americans.

Person or Natural Person – A human being who is a U.S. citizen, born or naturalized, or a human being who is not a U.S. citizen, but is a veteran as defined by 38 U.S.C. §101(2) who has suffered at least a 20% service-connected disability as defined by 38 U.S.C. §101(16).

Principal Place of Business – The location where the qualifying owner or owners (as defined in Owner or Qualifying Owner) of the business direct, control, and coordinate the business's daily operations and activities.

Resident of the State of Texas – Qualifying owners are considered residents of the state if the owners:

1. physically reside in the state for a period of not less than 12 consecutive months prior to submitting an application for HUB certification, and list Texas

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as their residency in their most recent tax return submitted to the U.S. Internal Revenue Service, or;

2. have established, to the satisfaction of the comptroller, a Texas domicile for a period of time sufficient to demonstrate their intention to permanently reside in the state consistently over a substantial period of time.

Size Standards – Graduation thresholds established by the HUB program consistent with the comptroller's rules which are based on the U.S. Small Business Administration's size standards and based on the North American Industry Classification System codes. These may also be used to determine eligibility for HUB registration.

Treasury Funds – State funds subject to the custody and control of the comptroller and available for appropriation by the legislature.

### V. Related References

*There are no related documents associated with this Policy.*

### VI. Review and Approval History

- A. The approving authority of this policy is the University Executive Committee.
- B. The review frequency cycle is set for three years following the last review date, a time period that is not mandated by regulatory, accreditation, or other authority.

<b>Effective Date</b>	<b>Action Taken</b>	<b>Approved By</b>	<b>Date Approved</b>
<b>05/2000</b>	Policy Origination		
<b>03/2019</b>	Policy Revision		