

6.8.4 Good Faith Effort Goals

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

To establish the criteria for determining good faith effort goals to maximize Historically Underutilized Business (HUB) supplies.

II. Scope

This policy applies to all procurement categories established in support of HUB goals.

III. Policy

A. Overall Goal

UT Health San Antonio’s goal is to remain committed to exercising a good faith effort to maximize opportunities for Historically Underutilized Business (HUB) suppliers to provide materials, supplies, equipment, and services needed to support the mission and the administrative and logistical operations of UT Health San Antonio (UTHSA), in accordance with established utilization goals.

B. Utilization Goals by Category

Each state agency shall make a good faith effort to utilize HUBs in contracts for construction, services (including professional and consulting services) and commodities purchases. Each agency may achieve the statewide and/or agency-specific annual HUB goals specified in the agency's Legislative Appropriations Request by contracting directly with HUBs or indirectly through subcontracting opportunities.

The statewide HUB goals for the procurement categories for the State of Texas are:

1. 11.2% for heavy construction other than building contracts;

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2. 21.1% for all building construction, including general contractors and operative builders' contracts;
3. 32.9% for all special trade construction contracts;
4. 23.7% for professional services contracts;
5. 26.0% for all other services contracts; and
6. 21.1% for commodities contracts.

State agencies shall establish their own agency-specific HUB goals for each procurement category. Agencies can set their agency-specific HUB goals higher or lower than the statewide HUB goals; however, at a minimum, the statewide HUB goals should be each agency's starting point for establishing agency-specific goals. Agency-specific goals should be based on:

1. an agency's fiscal year expenditures and total contract expenditure;
2. the availability to an agency of HUBs in each procurement category;
3. the agency's historic utilization of HUBs; and
4. other relevant factors.

C. Determination of Agency Good Faith Effort

Each state agency shall make a good faith effort to assist HUBs in receiving a portion of the total contract value of all contracts that the agency expects to award in a fiscal year. Factors in determining an agency's good faith shall include:

1. the agency's performance in meeting or exceeding their agency-specific HUB goals or the statewide HUB goals as they were included as part of their legislative appropriations request in accordance with Texas Government Code, [§2161.127](#); and
2. the agency's adoption and implementation of procedures taking the following activities into consideration:
 - a. preparing and distributing information on procurement procedures in a manner that encourages participation in state contracts by all businesses;
 - b. dividing proposed requisitions into reasonable lots in keeping with industry standards and competitive bid requirements;
 - c. where feasible, assessing bond and insurance requirements and design requirements that reasonably permit more than one business to perform the work;
 - d. specifying reasonable, realistic delivery schedules consistent with an agency's actual requirements;

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- e. ensuring that specifications, terms, and conditions reflect an agency's actual requirements, are clearly stated, and do not impose unreasonable or unnecessary contract requirements;
- f. providing potential bidders with a referenced list of certified HUBs for subcontracting;
- g. developing and applying a written methodology to determine whether any agency-specific HUB goals are appropriate under the Disparity Study, as some HUB groups have not been underutilized within applicable contracting categories and should not be included in the HUB goals for that category, or whether the statewide goals from the Disparity Study are appropriate for the agency, and taking into account the provisions of Texas Government Code, [§2161.002\(d\)](#);
- h. identifying potential subcontracting opportunities in all contracts and requiring a HUB subcontracting plan for contracts of \$100,000 or more over the life of the contract (including any renewals), where such opportunities exist, in accordance with Texas Government Code, [§2161.251](#); and
- i. seeking HUB subcontracting in contracts that are less than \$100,000 whenever possible.

A state agency may also demonstrate good faith by submitting a supplemental letter with documentation to the comptroller with their HUB report or legislative appropriations request identifying the progress, including, but not limited to the following, as prescribed by the comptroller:

1. identifying the percentage of contracts (prime and subcontracts) awarded to businesses that are not certified as HUBs, but that are owned by persons that are members of groups identified in Texas Administrative Code [§20.282\(19\)\(C\)](#) of this title (relating to Definitions);
2. demonstrating that a different goal from that identified in subsection (b) of this section was appropriate given the agency's types of purchases;
3. demonstrating that a different goal was appropriate given the particular qualifications required by an agency for its contracts;
4. demonstrating that a different goal was appropriate given that graduated HUBs cannot be counted toward the goal; or
5. demonstrating assistance to noncertified HUBs in obtaining certification with the comptroller.

IV. Definitions

There are no defined terms used in this Policy.

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.

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