

**Texas Revenue Anticipation Notes (TRAN)**  
**State of Texas Tax and Revenue Anticipation Notes Series 2020**  
**Historically Underutilized Business (HUB) Participation**  
**Questions & Answers**

**1. What is the definition of a HUB for purposes of the Texas TRAN?**

The Comptroller of Public Accounts is authorized to establish a Statewide HUB Program and certify small historically underutilized businesses (HUB). The HUB must meet certification requirements based on the State of Texas Disparity Study of 2008. Please see Texas Government Code, §2161.001 and 34 Texas Administrative Code §20.282 and §20.288 for more information.

Specifically, to be certified as a Texas HUB, the small business must:

- be a for-profit entity that has not exceeded the size standards prescribed by 34 Texas Administrative Code §20.294,
- have its principal place of business in Texas,
- be at least 51% owned and operated by a qualified owner who:
  - identifies as an Asian Pacific American, Black American, Hispanic American, Native American, American woman and/or (at least 20%) Service-Disabled Veteran;
  - is a Texas resident; and
  - holds a business title that actively participates in the control, operation, and management of the entity's day to day business affairs.

**2. What are the goals for HUB participation?**

The statewide goal for “other services” is 26%, however, the Comptroller seeks to consistently improve, year over year, in HUB participation in the TRAN with a goal to exceed \$100 Million in HUB participation. See Texas Administrative Code §20.284.

**3. How does a successful bidder demonstrate a good faith effort for HUB participation?**

In accordance with Texas Administrative Code §20.285, a HUB Subcontracting Plan requires a good faith effort. This means, a bidder will evaluate the work and determine if there are any subcontracting opportunities. At least 3 HUBs must be included in the email notification of each subcontracting opportunity and given the chance to bid on the sub-work. HUB vendor email lists may be searched by class and item code on the CMBL/HUB system. At least 2 minority, women, service-disabled veteran, or trade organizations must also be notified for each opportunity. Links to CMBL/HUB Directory and minority and trade organizations can be found on the Comptroller’s Statewide HUB web page at: <https://comptroller.texas.gov/purchasing/vendor/hub/> or by email [StatewideHUBProgram@cpa.texas.gov](mailto:StatewideHUBProgram@cpa.texas.gov) for more information.

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We request that bidders make a “good faith effort” to identify subcontracting opportunities and/or partner with HUBs on any TRAN related work opportunities to increase our HUB participation goals.

**4. What is a Mentor-Protégé relationship?**

A Mentor-Protégé Agreement is a business relationship between a mentor business (larger more experienced business) and a HUB (small) business. The objective is to provide professional guidance and support to the HUB Protégé to facilitate their growth and development.

It is the CPA (division)’s interest to sponsor this agreement(s) fulfill any portion of the scope to work related to the Texas TRAN Program that could potentially contribute to the HUB participation goal.

Companies interested in establishing a state Mentor-Protégé agreement through the Comptroller’s office should contact the Statewide Procurement Division or CPA Contract Administration and Procurement (see below). For more information please see §2161.065, Texas Government Code, and 34 Texas Administrative Code §20.298.

**5. What are the HUB reporting requirements for successful bidders?**

- Each successful bidder must complete and submit a disclosure report by the end of the second business day after the sale of the Notes. Each successful bidder must complete all applicable sections of Attachment C to the Notice of Sale, and may also submit any additional documentation of their HUB outreach efforts. Attachment C must be executed by the successful bidder (the senior managing underwriter may make the certification on behalf of a bidder that is a syndicate). Attachment C contains:
  - an acknowledgment that the bidder is aware of the Comptroller’s goal to encourage HUB participation in the sale of the Notes and that it must demonstrate a good faith effort toward the Comptroller’s participation goals for HUBs; and
  - information concerning the bidder’s good faith effort toward the Comptroller’s participation goal for Texas HUBs, including as applicable (a) the bidder’s efforts in obtaining participation of Texas HUBs in the bidder’s syndicate or otherwise in the bidding of the Series 2020 Notes, and (b) the actual level of participation of Texas HUBs in the bidder’s syndicate.

Additional information is available on the TRANTexas.com website under Instructions and includes Attachment C to the Notice of Sale – Disclosure Report on Good Faith Effort.

Additional questions about the State of Texas HUB program can be answered by:

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**Statewide Procurement** – Statewide HUB Program at 888-863-5881 or  
StatewideHUBProgram@cpa.texas.gov

**CPA Contract Administration and Procurement** at 512-936-8433 or 512-463-8982.