

State of Texas Tax and Revenue Anticipation Notes Series 2019
HUB Participation
Questions & Answers

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

In general, a HUB is a Texas based small business owned by an economically disadvantaged person. Please see Texas Government Code, §2161.001 and 34 Texas Administrative Code §20.282 for more information.

Specifically, a "Historically Underutilized Business":

- is a for-profit entity that has not exceeded the size standards prescribed by 34 Texas Administrative Code §20.294, and has its principal place of business in Texas, and

- is at least 51% owned by an Asian Pacific American, Black American, Hispanic American, Native American, American woman and/or Service-Disabled Veteran, who reside in Texas and actively participate in the control, operations and management of the entity's affairs.

2. What are the goals for HUB participation?

The Comptroller is seeking to consistently improve, year over year, on the participation of HUBs in the TRAN with a participation goal to exceed \$100 Million.

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

A good faith effort means, to the extent consistent with prudent industry practices, outreach to minority, women, or service-disabled veteran trade organizations and HUBs; efforts to identify opportunities to subcontract or partner with them on TRAN related work; and attempts to offer them TRAN related work opportunities.

4. What is a Mentor-Protégé relationship?

A Mentor-Protégé relationship is one way of contributing to the Texas TRAN Program's HUB participation goal. The State of Texas Mentor Protégé Program is designed to foster relationships between prime contractors and Texas certified HUBs. The objective of the Mentor Protégé Program is to provide professional guidance and support to the protégé (HUB) to facilitate their growth and development, and to increase HUB contracts and subcontracts with the State of Texas. A Mentor's use of their Protégé to fulfill any portion of scope of work related to the Texas TRAN Program could potentially contribute to the HUB participation goal. Bidders with existing Mentor-Protégé agreements should highlight those agreements and seek opportunities to involve or include their protégé where appropriate and reasonable. State agencies serve as sponsors for the Mentor Protégé agreements. Companies interested in establishing a state Mentor Protégé agreement through the Comptroller's office should contact the Statewide Procurement

State of Texas Tax and Revenue Anticipation Notes Series 2019
HUB Participation
Questions & Answers

Division (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 business on 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 2019 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:

Statewide Procurement – Statewide HUB Program at 888-863-5881 or 512-463-5872.