

**GUIDANCE ON AGENCY KEY HUB PERFORMANCE MEASURES**

TO: State Agency Administrators

FROM: Skip Bartek, Director, Texas Procurement and Support Services Division

DATE: May 14, 2008

SUBJECT: Guidance for Agency Administrators in Establishing Agency Key Performance Measures for the HUB Program

INTRODUCTION:

House Bill 3560, 80th Legislature, Regular Session, amended Chapter 2161 of the Texas Government Code to require each state agency to report, as a key performance measure, the results from its Historically Underutilized Businesses (HUB) program. Pursuant to §2161.127, Govt. Code, each agency's Legislative Appropriations Request (LAR) must include:

- the agency's HUB goals;
- a statement regarding whether the goals for the preceding biennium were met; and
- a statement of the percentage by which the agency's actual HUB use deviated from its goals with an explanation of why the goals were not met.

The following guidance is provided to assist agencies in complying with these key performance measure requirements.

GUIDANCE:

1. **Statewide HUB Goals – 34 TAC §20.13.** Pursuant to §2161.123, Govt. Code, agencies already include within their strategic plans a HUB Business Plan. Agencies are encouraged to adopt the statewide HUB goals published in 34 TAC §20.13 as their own goals for their HUB Business Plans. At a minimum, the statewide HUB goals should be each agency's starting point for establishing agency-specific performance measures. Section 20.13 describes how agencies can set goals that differ from the statewide HUB goals.
2. **Good Faith Effort Analysis.** Each agency is encouraged to make a good faith effort in performing its analysis and measurement of its HUB program and setting goals for improvement.
 - a. **Historical Expenditure Analysis.** An analysis of historical spending to examine expenditure trends could assist forecasting and goal setting efforts based upon past expenditures. Using historical expenditure data in concert with the vendor and HUB data contained within the Centralized Master Bidders List (CMBL) can aid an agency's efforts to forecast opportunities for HUB vendors in the upcoming fiscal year or biennium.
 - b. **Variance Analysis and Explanation.** HUB Coordinators, procurement staff and fiscal management staff are encouraged to perform analysis and to brief executive management on their agency's HUB program results, including, but not limited to, what was procured, how HUB vendors were utilized and provide explanations of variance from the statewide HUB goals.

- c. **Agency-specific HUB Goals.** An agency can establish agency-specific HUB goals; however, any deviation from the statewide goals should be documented, based upon expenditure analysis, and demonstrate a good faith effort to reach or exceed the statewide HUB goals.
3. **Explanation of Variance.** Each agency is encouraged to coordinate with its Legislative Budget Board (LBB) Analyst and Governor's Office Advisor in developing its key performance measure in its LAR for its HUB program. Agency staff will need to perform sufficient analysis to determine opportunities for expanding its agency's HUB program and to clearly and concisely explain in the LAR any variance from the statewide HUB goals for prior years.
4. **One Tool for Analysis – the CMBL.** On Feb. 28, 2008, the Texas Procurement and Support Services (TPASS) Division of the Texas Comptroller of Public Accounts (CPA) published on its Web Site a useful tool and guide for state agencies to help establish HUB performance measures or agency-specific HUB goals.
 - a. The document is: *Guide on How to Search the Centralized Master Bidders List (CMBL) to Determine the Availability of Historically Underutilized Businesses (HUBs)*.
 - b. It is available in PDF format and may be downloaded at www.cpa.state.tx.us/procurement/prog/hub/searching_cmb1.html.
 - c. A direct link to the guidance document can be found at the following URL: www.cpa.state.tx.us/procurement/prog/hub/SearchGuideforHUBAvailability.pdf and a copy is enclosed for your convenience.
 - d. TPASS staff shared this guidance document with the State Auditor's Office at the time it was first published.
5. **Alternative Methods for Setting Key Performance Measures.** Agencies are encouraged to utilize the guidance document published by TPASS to assist in establishing LAR key performance measures for its HUB program. Alternative methods may be used in establishing key performance measures as long as those methods are empirically sound, prepare the agency's executive management to concisely report results and explain any variance in the agency's performance from its stated goals.

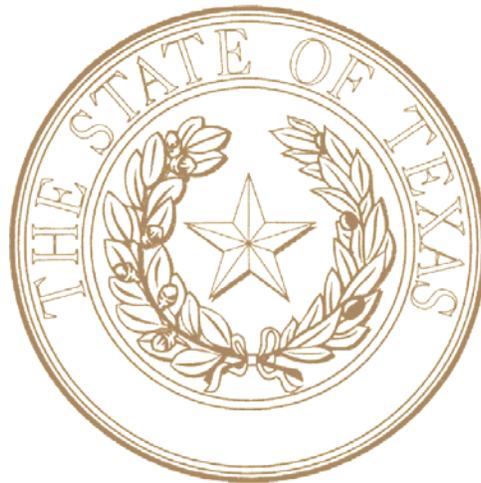
The CPA welcomes feedback and insight from all agencies. If your agency develops a method for setting HUB goals that might be helpful for other state agencies or institutions of higher education, please contact the statewide HUB Program Manager within the CPA TPASS Division, Paul Gibson, by e-mail at paul.gibson@cpa.state.tx.us or by phone at (512) 305-9071. With the consent of your agency administrator, the CPA may share your analytical methodology and your lessons learned with the HUB Discussion work group, a team of state agency and Texas university HUB coordinators that meets regularly to discuss HUB issues.

Information regarding the statewide HUB program is available online at www.cpa.state.tx.us/procurement/prog/hub/.

Contact information for statewide HUB staff and for other TPASS program areas is available at www.cpa.state.tx.us/procurement/contacts/contactslist/.

Enclosure

**Guide on how to search the
Centralized Master Bidders List (CMBL)
to determine the availability of
Historically Underutilized Businesses (HUBs)**



**Comptroller of Public Accounts
Texas Procurement and Support Services
1711 San Jacinto Blvd.
Austin, Texas 78701**

www.window.state.tx.us/procurement/prog/hub/SearchGuideforHUBavailability.pdf

Introduction

Each state agency that is required to have a strategic plan under Government Code Chapter 2056 shall include a written plan for increasing the agency's use of historically underutilized businesses (HUBs) in purchasing and public works contracting. House Bill 3560, 80th Legislature, Regular Session, amended §2161.123, Govt. Code, to require each state agency to either adopt the statewide contracting goals listed below or to establish its own goals for contracting with historically underutilized businesses in each procurement category based on scheduled fiscal year expenditures and the availability of HUBs in the following categories, as determined by Texas Procurement and Support Services (TPASS) rules (34 TAC §20.13).

- (1) 11.9 percent for heavy construction other than building contracts;
- (2) 26.1 percent for all building construction, including general contractors and operative builders contracts;
- (3) 57.2 percent for all special trade construction contracts;
- (4) 20 percent for professional services contracts;
- (5) 33 percent for all other services contracts; and
- (6) 12.6 percent for commodities contracts.

Agencies may set higher or lower contracting goals in accordance with 34 TAC §20.13, which requires consideration of HUB availability, HUB utilization, geographical location of the project, the contractual scope of work and other relevant factors. Agencies should document their processes and rationale for establishing goals that differ from the statewide goals identified above.

This guide provides step-by-step instructions on how to use the Centralized Master Bidders List to determine availability of HUBs for class and item codes. Agencies should follow this process if they establish contracting goals that differ from the statewide contracting goals. TPASS staff is available to assist you in using this database.

In accordance with §2155.264, Govt. Code, a state agency that proposes to make a purchase or other acquisition that will cost more than \$15,000 shall solicit bids or proposals from each eligible vendor on the master bidders list that serves the agency's geographic region.

State agencies and institutions of higher education may use the Centralized Master Bidders List (CMBL) that is managed by the TPASS division of the Texas Comptroller of Public Accounts to identify, 1) vendors who are registered on the state's CMBL; and 2) vendors who are certified as a HUB. Vendors registered on the CMBL or certified as HUBs should be considered available, willing, and able to serve state agencies and institutions of higher education throughout Texas.

The following steps of searching the CMBL may assist state agencies and institutions of high education, as well as other users of the CMBL, to determine the availability of CMBL registered vendors and certified HUB vendors when establishing HUB utilization goals for their procurement opportunities:

1. Log on to: <http://www.cpa.state.tx.us/procurement/cmb/cmbhub.html>

Search:
 CMBL only, HUBs on CMBL, HUBs not on CMBL
 HUB Mentor Protege, All Vendors

Vendor ID:
Vendor Number:
Vendor Name: begins with Name
Include Inactive Vendors: **Small Businesses Only:** Yes, No

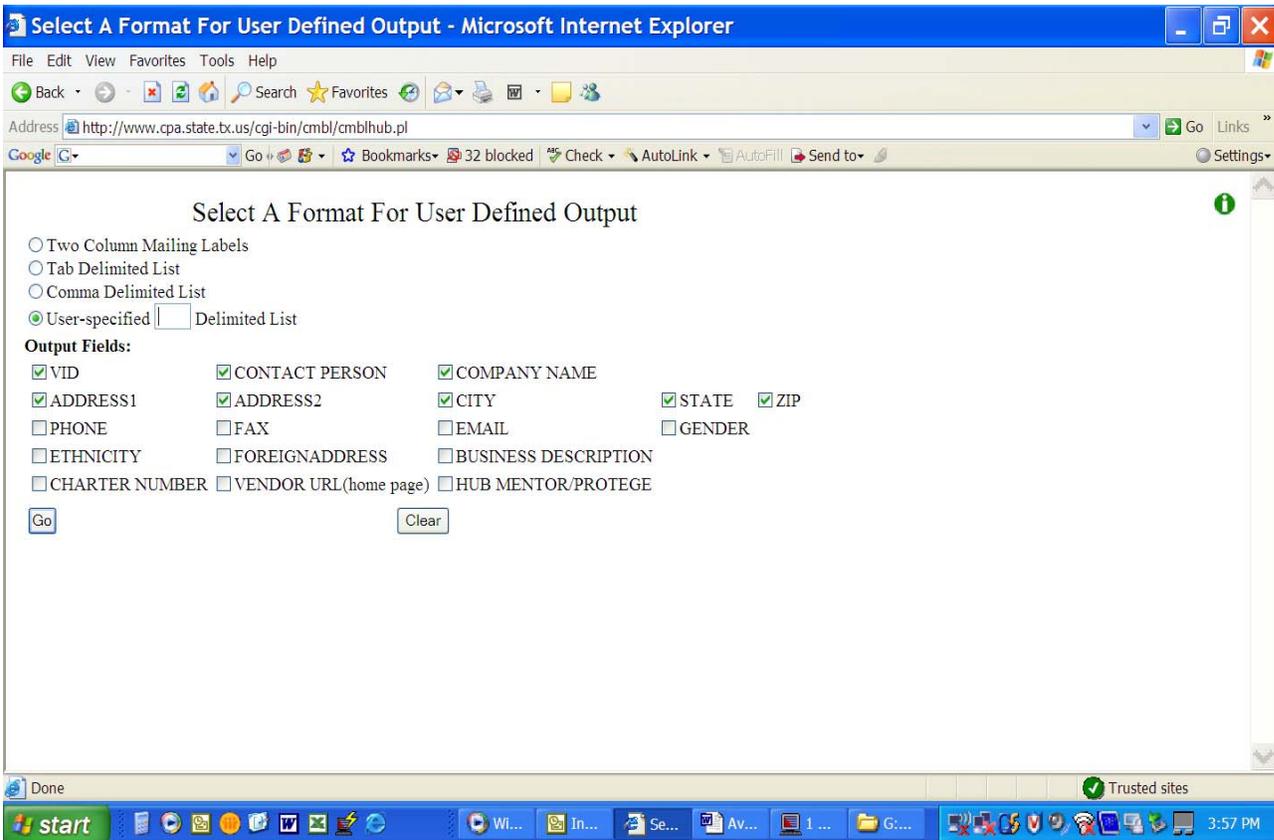
Selection 1: Class Code: Item: District:
Selection 2: Class Code: Item: District:
Selection 3: Class Code: Item: District:
[Class Code](#) | [Item Code](#) | [District](#)

Texas County:
City: begins with
Zip: begins with
Sort by: Vendor Name
Output as: User Defined Output (i.e. Labels & Delimited Lists)
Results: return all matches

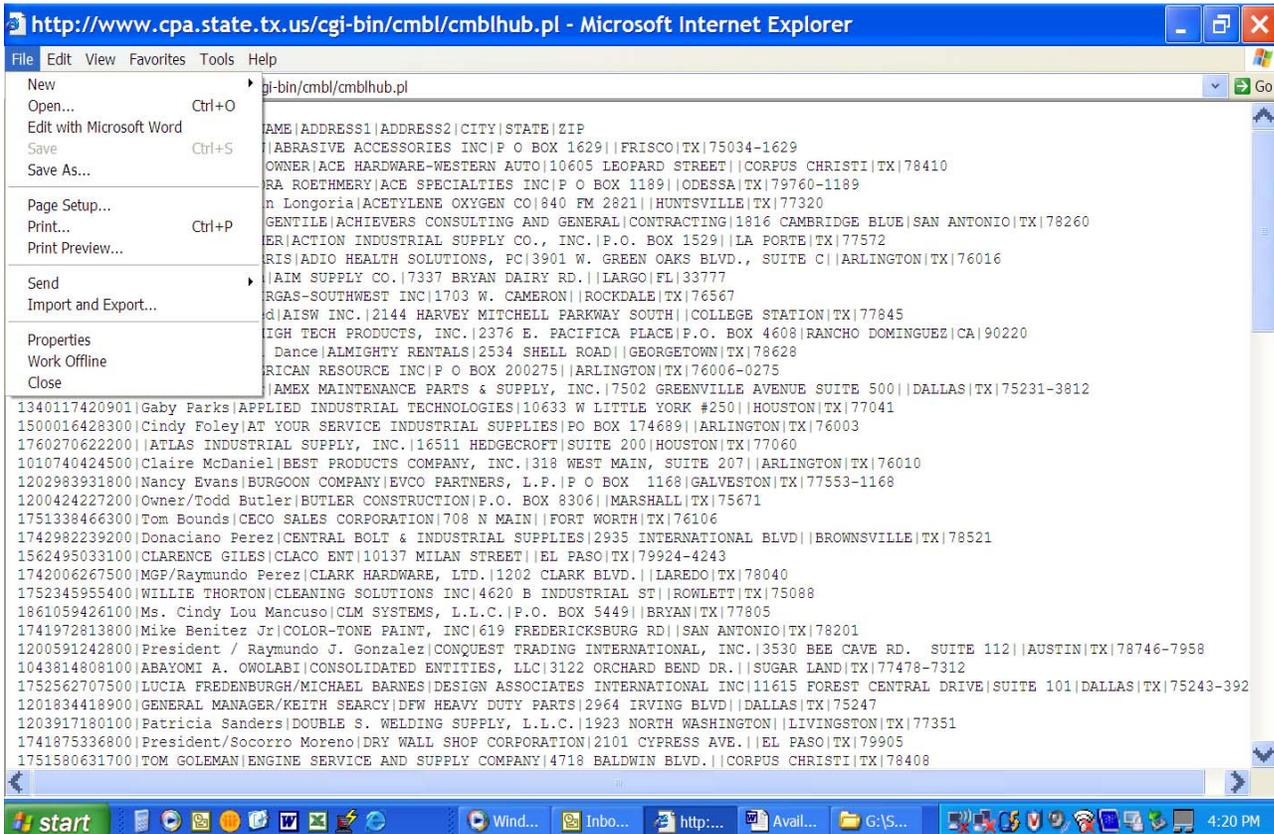
Related Links
Click this Help icon for information and tips on generating search lists and files
[CMBL Registration](#)
[HUB Directory](#)
[HUB Mentor Protege Agreement Listing](#)
[Excluded Parties List System Search](#)
[Debarred Vendors List](#)

2. Set the "Search" to "All Vendors". The results will yield a combined list of Non-HUB and HUB vendors who are registered on CMBL, and HUB vendors who are not registered on the CMBL.
3. Enter a three-digit Class Code and a two-digit Item Code in the appropriate data fields of "Section 1". Do not enter any District Codes.
4. Set the "Output" as "User Defined Output" (i.e. Labels & Delimited Lists).
5. Set the "Results" to "Return All Matches" and then click on the "Submit Search" button.

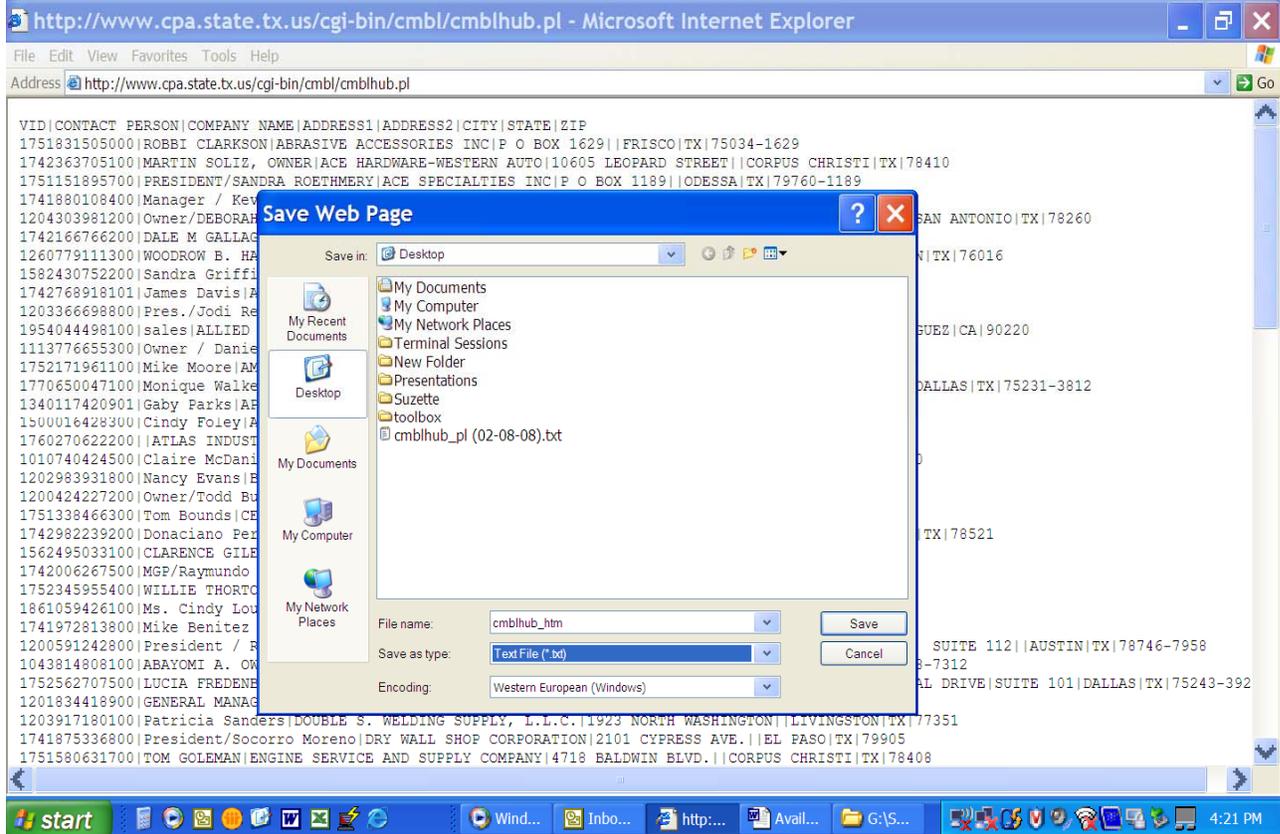
- Set the "Select A Format For User Defined Output" to "User-specified" and enter a "|" (Pipe Character – "shift backslash" on the keyboard) in the data field. Proceed with selecting the "Ethnicity" and "Gender" boxes, and then click the "Go" button. Note: Selecting the "Ethnicity" and "Gender" boxes will enable you to distinguish between HUB and Non-HUB vendors.



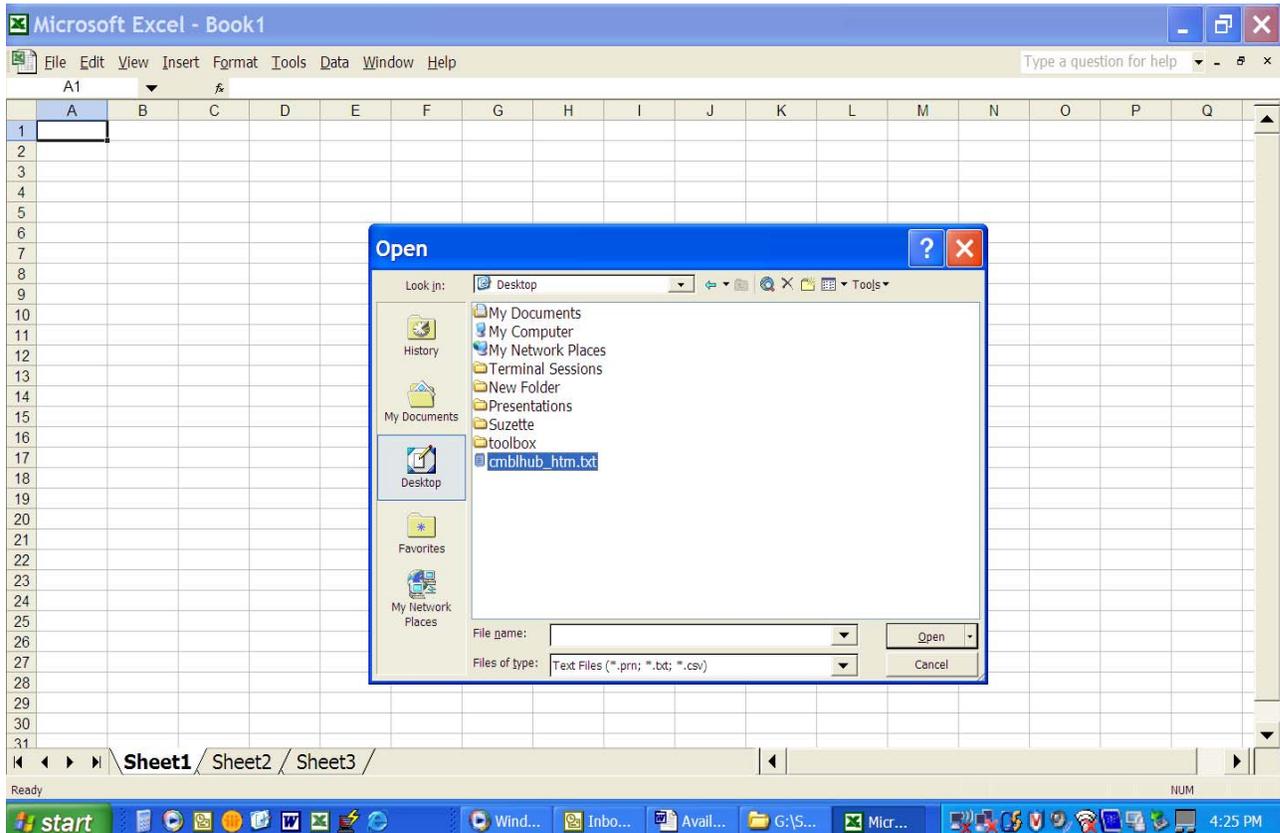
- You will be provided a list of vendors. Referencing the toolbar, click on "File" and then "Save As".



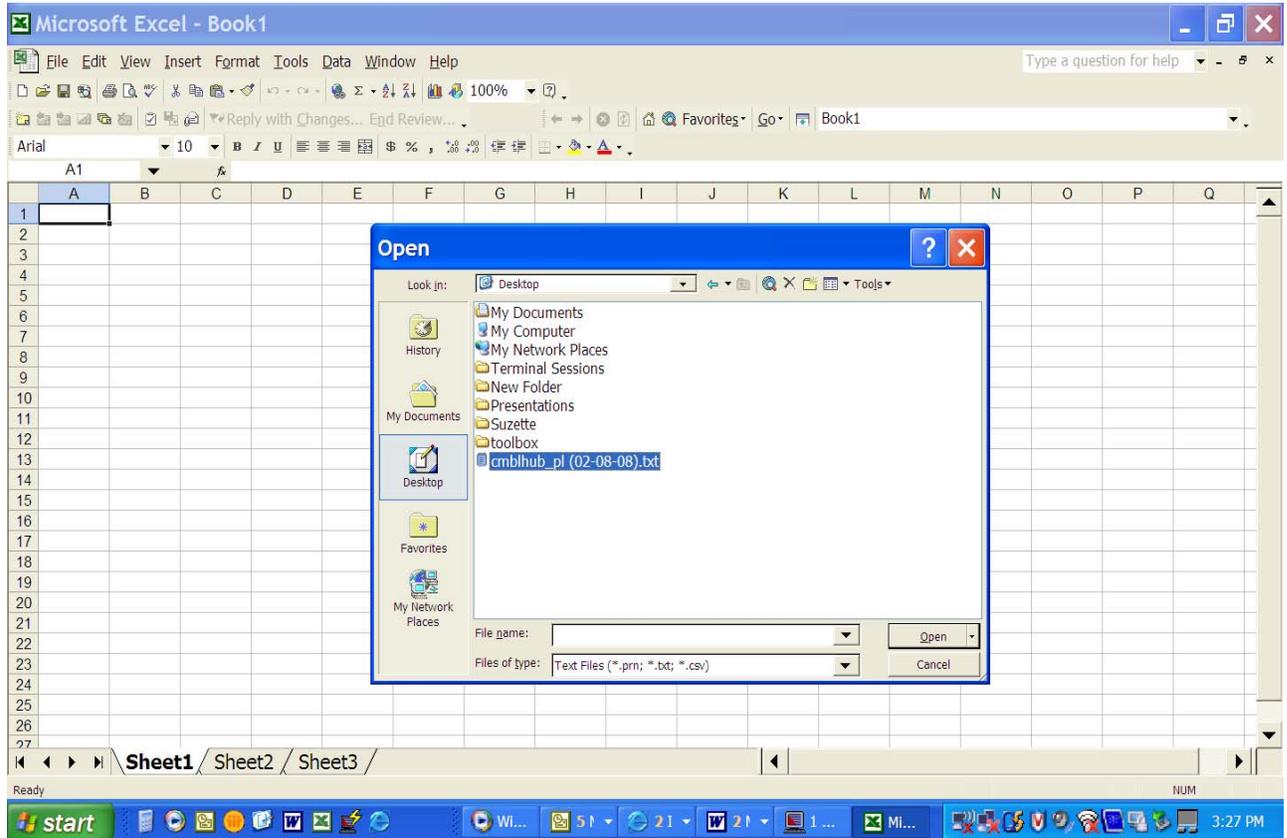
- Set the "Save as type" to "Text file", and determine where you are going to save the file to (i.e. Desktop, My Documents, My Computer). You may take this opportunity to change the "File name" and then click on the "Save" button.



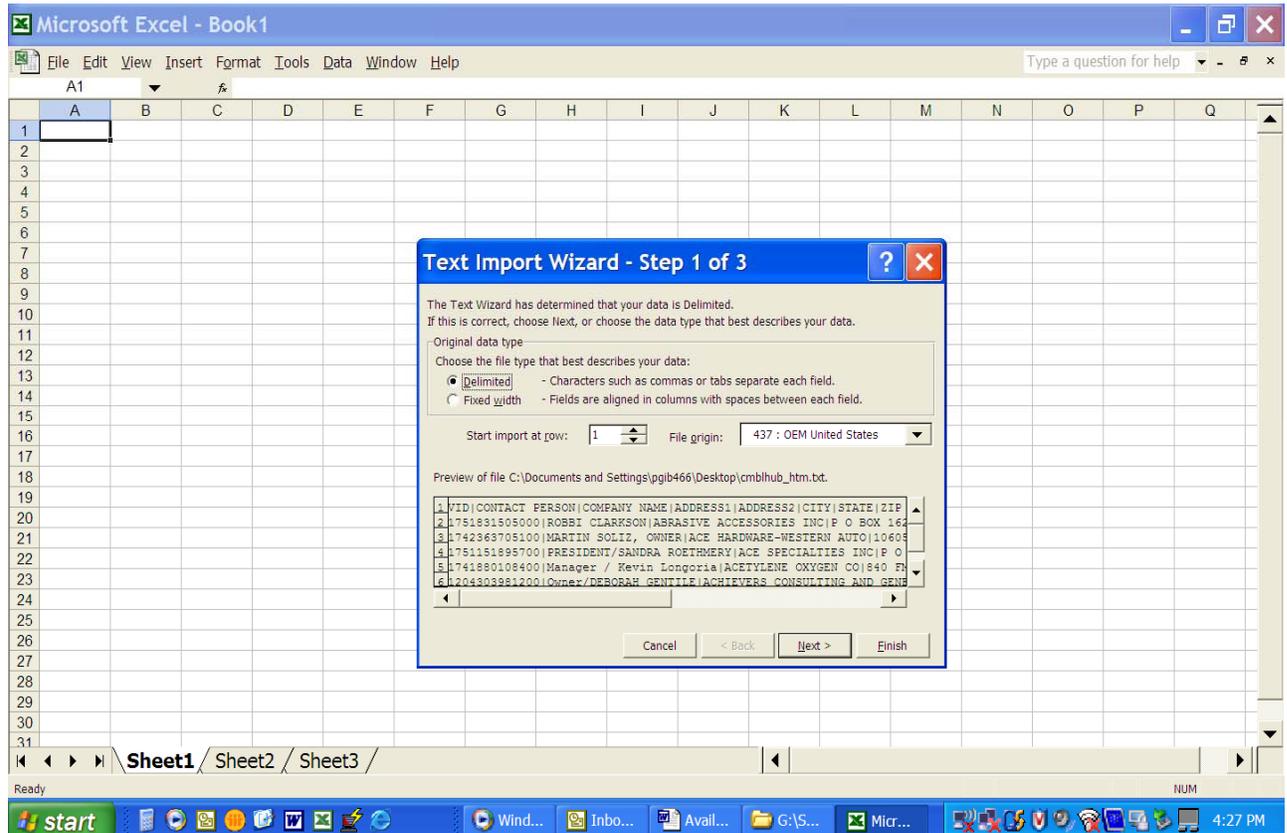
- Open Microsoft Excel Workbook and then, referencing the toolbar, click on "File" and then "Open". Next, locate the file and click on the "Open" button.



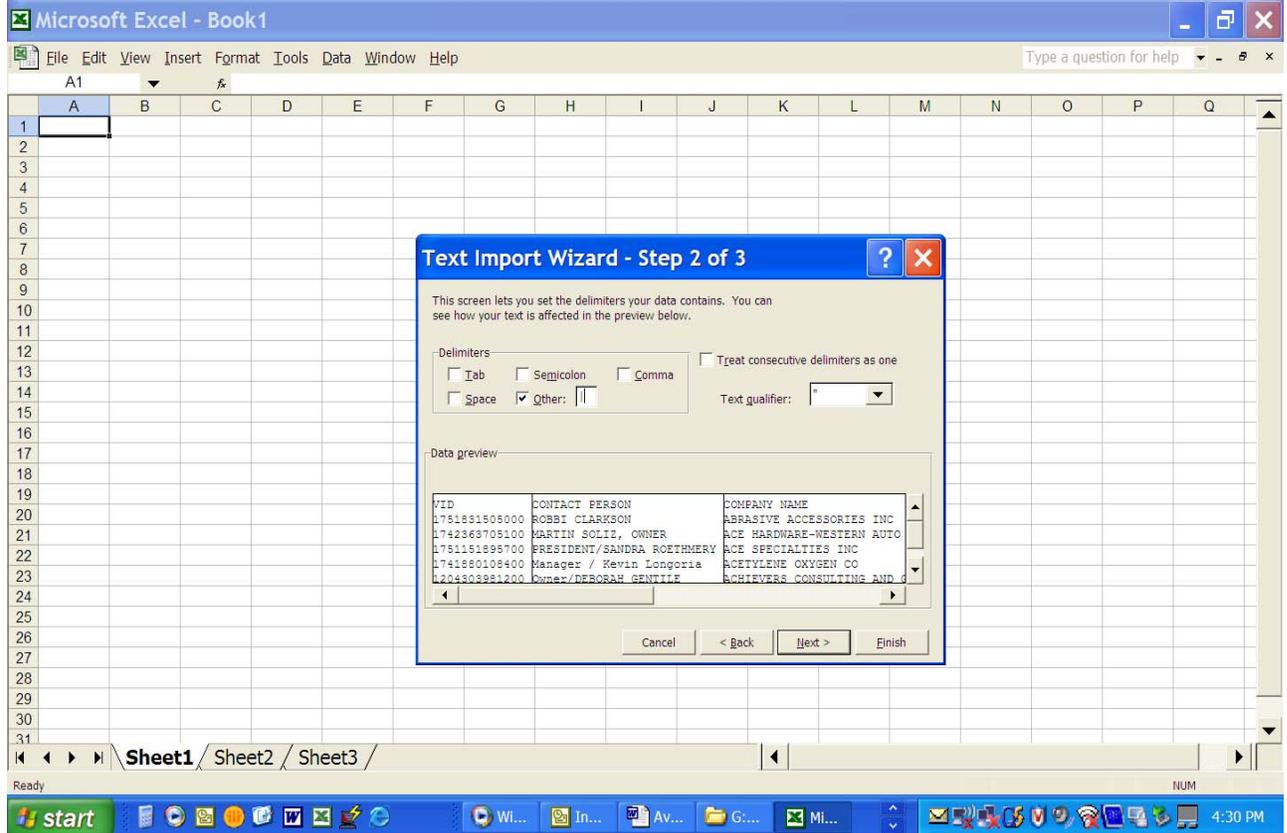
- Referencing your toolbar, click on “File”, then “Open” and the prompt below (or a similar one) will appear. Next, select the storage area (i.e. Desktop, My Documents, My Computer) where you stored the file, and then set the “Files of type” to “Text Files”. Select the file you saved and click on the “Open” button.



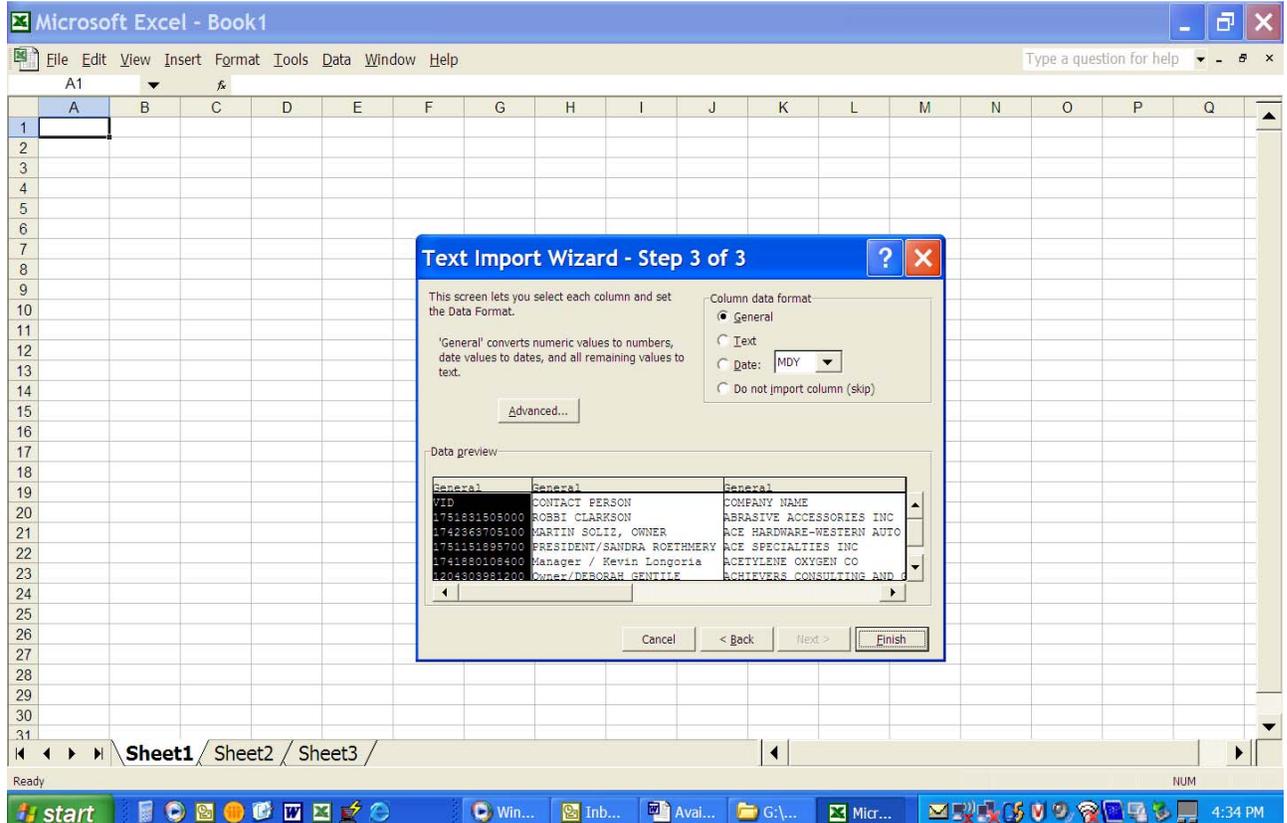
- Using Text Import Wizard, select “Delimited” as the “Original Data Type”, then click on the “Next” button.



- Select "Other" as the "Delimiters", and enter a "|" (Pipe Character – "shift backslash" on the keyboard) in the data field. Click on the "Next" button.



- Using the Horizontal Scroll bar in the "Text Import Wizard" (leaving the first column of information highlighted), scroll all the way to the far right column while depressing the "Shift" key, and click the last right column, thereby highlighting all the columns of information. Change the "Column Data Format" from "General" to "Text" and then click the "Finish" button.



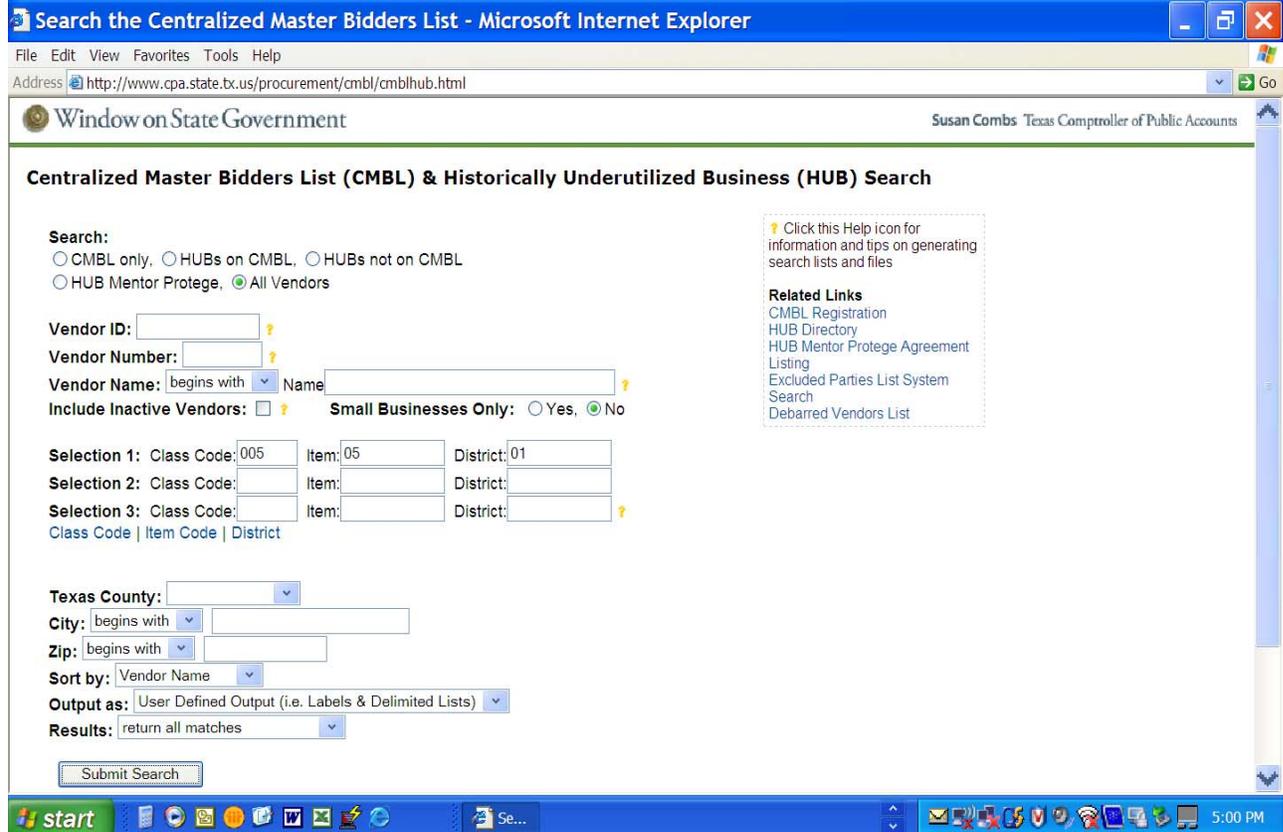
14. In this example, the search resulted in a total of 105 vendors.

VID	CONTACT PERSON	COMPANY NAME	ADDRESS1	ADDRESS2
1751831505000	ROBBI CLARKSON	ABRASIVE ACCESSORIES INC	P O BOX 1629	
1742363705100	MARTIN SOLIZ, OWNER	ACE HARDWARE-WESTERN AUTO	10605 LEOPARD STREET	
1751151895700	PRESIDENT/SANDRA ROETHMERY	ACE SPECIALTIES INC	P O BOX 1189	
1741880108400	Manager / Kevin Longoria	ACETYLENE OXYGEN CO	840 FM 2821	
1204303981200	Owner/DEBORAH GENTILE	ACHIEVERS CONSULTING AND GENERAL	CONTRACTING	1816 CAMBRID
1742166766200	DALE M GALLAGHER	ACTION INDUSTRIAL SUPPLY CO., INC.	P.O. BOX 1529	
1260779111300	WOODROW B. HARRIS	ADIO HEALTH SOLUTIONS, PC	3901 W. GREEN OAKS BLVD., SUITE C	
1582430752200	Sandra Griffin	AIM SUPPLY CO.	7337 BRYAN DAIRY RD.	
1742768918101	James Davis	AIRGAS-SOUTHWEST INC	1703 W. CAMERON	
1203366698800	Pres./Jodi Reed	AISW INC.	2144 HARVEY MITCHELL PARKWAY SOUTH	
1954044498100	sales	ALLIED HIGH TECH PRODUCTS, INC.	2376 E. PACIFICA PLACE	P.O. BOX 4608
1113776655300	Owner / Daniel Dance	ALMIGHTY RENTALS	2534 SHELL ROAD	
1752171961100	Mike Moore	AMERICAN RESOURCE INC	P O BOX 200275	
1770650047100	Monique Walker	AMX MAINTENANCE PARTS & SUPPLY, INC.	7502 GREENVILLE AVENUE SUITE 500	
1340117420901	Gaby Parks	APPLIED INDUSTRIAL TECHNOLOGIES	10633 W LITTLE YORK #250	
1500016428300	Cindy Foley	AT YOUR SERVICE INDUSTRIAL SUPPLIES	PO BOX 174689	
1760270622200		ATLAS INDUSTRIAL SUPPLY, INC.	16511 HEDGECROFT	SUITE 200
1010740424500	Claire McDaniel	BEST PRODUCTS COMPANY, INC.	318 WEST MAIN, SUITE 207	
1202983931800	Nancy Evans	BURGOON COMPANY	EVCO PARTNERS, L.P.	P O BOX 1168
1200424227200	Owner/Todd Butler	BUTLER CONSTRUCTION	P.O. BOX 8306	
1751338466300	Tom Bounds	CECO SALES CORPORATION	708 N MAIN	
1742982239200	Donaciano Perez	CENTRAL BOLT & INDUSTRIAL SUPPLIES	2935 INTERNATIONAL BLVD	
1562495033100	CLARENCE GILES	CLACO ENT	10137 MILAN STREET	
1742006267500	MGP/Raymundo Perez	CLARK HARDWARE, LTD.	1202 CLARK BLVD.	
1752345955400	WILLIE THORTON	CLEANING SOLUTIONS INC	4620 B INDUSTRIAL ST	
1861059426100	Ms. Cindy Lou Mancuso	CLM SYSTEMS, L.L.C.	P.O. BOX 5449	
1741972813800	Mike Benitez Jr	COLOR-TONE PAINT, INC	619 FREDERICKSBURG RD	
1200591242800	President / Raymundo J. Gonzalez	CONQUEST TRADING INTERNATIONAL, INC.	3530 BEE CAVE RD. SUITE 112	
1043814808100	ABAYOMI A. OWOLABI	CONSOLIDATED ENTITIES, LLC	3122 ORCHARD BEND DR	
1752562707500	LUCIA FRFDENBURGH/MICHAEL BARNES	DESIGN ASSOCIATES INTERNATIONAL INC.	11615 FOREST CENTRAL DRIVE	SUITE 101

15. By sorting this information by “Ethnicity” or “Gender” codes, you can determine the number of HUB vendors that are inclusive to the total number of vendors yielded. In this example, there were 52 HUB vendors. Therefore, the availability of HUB vendors statewide with goods applicable to Class Code 005 (Abrasives) and Item Code 05 (Abrasive Equipment and Tools) is approximately 50%. Also, by having included the “Ethnicity” and “Gender” codes, you may also determine the number and percentage of HUB vendors per Ethnicity and/or Gender.

VID	CONTACT PERSON	COMPANY NAME	ADDRESS1	ADDRESS2
1751831505000	ROBBI CLARKSON	ABRASIVE ACCESSORIES INC	P O BOX 1629	
1742363705100	MARTIN SOLIZ, OWNER	ACE HARDWARE-WESTERN AUTO	10605 LEOPARD STREET	
1751151895700	PRESIDENT/SANDRA ROETHMERY	ACE SPECIALTIES INC	P O BOX 1189	
1741880108400	Manager / Kevin Longoria	ACETYLENE OXYGEN CO	840 FM 2821	
1204303981200	Owner/DEBORAH GENTILE	ACHIEVERS CONSULTING AND GENERAL	CONTRACTING	1816 CAMBRID
1742166766200	DALE M GALLAGHER	ACTION INDUSTRIAL SUPPLY CO., INC.	P.O. BOX 1529	
1260779111300	WOODROW B. HARRIS	ADIO HEALTH SOLUTIONS, PC	3901 W. GREEN OAKS BLVD., SUITE C	
1582430752200	Sandra Griffin	AIM	7337 BRYAN DAIRY RD.	
1742768918101	James Davis	AIRGAS-SOUTHWEST INC	1703 W. CAMERON	
1203366698800	Pres./Jodi Reed	AISW INC.	2144 HARVEY MITCHELL PARKWAY SOUTH	
1954044498100	sales	ALLIED HIGH TECH PRODUCTS, INC.	2376 E. PACIFICA PLACE	P.O. BOX 4608
1113776655300	Owner / Daniel Dance	ALMIGHTY RENTALS	2534 SHELL ROAD	
1752171961100	Mike Moore	AMERICAN RESOURCE INC	P O BOX 200275	
1770650047100	Monique Walker	AMX MAINTENANCE PARTS & SUPPLY, INC.	7502 GREENVILLE AVENUE SUITE 500	
1340117420901	Gaby Parks	APPLIED INDUSTRIAL TECHNOLOGIES	10633 W LITTLE YORK #250	
1500016428300	Cindy Foley	AT YOUR SERVICE INDUSTRIAL SUPPLIES	PO BOX 174689	
1760270622200		ATLAS INDUSTRIAL SUPPLY, INC.	16511 HEDGECROFT	SUITE 200
1010740424500	Claire McDaniel	BEST PRODUCTS COMPANY, INC.	318 WEST MAIN, SUITE 207	
1202983931800	Nancy Evans	BURGOON COMPANY	EVCO PARTNERS, L.P.	P O BOX 1168
1200424227200	Owner/Todd Butler	BUTLER CONSTRUCTION	P.O. BOX 8306	
1751338466300	Tom Bounds	CECO SALES CORPORATION	708 N MAIN	
1742982239200	Donaciano Perez	CENTRAL BOLT & INDUSTRIAL SUPPLIES	2935 INTERNATIONAL BLVD	
1562495033100	CLARENCE GILES	CLACO ENT	10137 MILAN STREET	
1742006267500	MGP/Raymundo Perez	CLARK HARDWARE, LTD.	1202 CLARK BLVD.	
1752345955400	WILLIE THORTON	CLEANING SOLUTIONS INC	4620 B INDUSTRIAL ST	
1861059426100	Ms. Cindy Lou Mancuso	CLM SYSTEMS, L.L.C.	P.O. BOX 5449	
1741972813800	Mike Benitez Jr	COLOR-TONE PAINT, INC	619 FREDERICKSBURG RD	
1200591242800	President / Raymundo J. Gonzalez	CONQUEST TRADING INTERNATIONAL, INC.	3530 BEE CAVE RD. SUITE 112	
1043814808100	ABAYOMI A. OWOLABI	CONSOLIDATED ENTITIES, LLC	3122 ORCHARD BEND DR	
1752562707500	LUCIA FRFDENBURGH/MICHAEL BARNES	DESIGN ASSOCIATES INTERNATIONAL INC.	11615 FOREST CENTRAL DRIVE	SUITE 101

It is important to note that if a Highway District had been inclusive to “Selection 1” as part of this example, the results would have yielded a total of 73 vendors, 39 of which are HUB vendors. Therefore, the availability of HUB vendors to serve Highway District 01 with goods applicable to Class Code 005 (Abrasives) and Item Code 05 (Abrasive Equipment and Tools) is approximately 53%.*



NOTICE AND DISCLAIMER - Running searches on the CMBL only identifies vendors that are currently registered with the CMBL and businesses that are currently certified as HUBs. The Comptroller of Public Accounts makes no assurance or guarantee of the accuracy or completeness of this data and reminds users that there are businesses in Texas that qualify as HUBs that have not applied for certification.