

# HUB Subcontracting Plan (HSP) Frequently Asked Questions and Common Errors

## ***Frequently Asked Questions***

### **What is a Vendor Identification (VID) Number and where can I get one?**

- A VID number is issued by the Comptroller's office to every vendor who does business with the state of Texas. Typically, the unique VID number is based on your business's federal Employer Identification Number (EIN).
- If you have not done business with the state before and do not have a VID, please provide your EIN in areas that ask for the VID.
- If you do not have an EIN number, please contact the IRS and apply for one by telephone at (800) 829-4933 or online at <https://sa2.www4.irs.gov/modiein/individual/index.jsp>.

### **My business is certified as a Historically Underutilized Business (HUB). Must I complete the HSP?**

- **Yes.** Certification as a HUB does not exclude HUBs from responding to solicitations as prime contractors and therefore does not exempt a HUB-certified business from completing the HSP and making a good faith effort to contact other HUBs to notify them of subcontracting opportunities.

### **I am not subcontracting. Do I have to complete the HSP?**

- **Yes.** All respondents must complete the HSP. If you will not be subcontracting, complete only the necessary sections, including Section Nine, which asks for a detailed explanation of how you will meet contract expectations using your own resources.

### **I am a manufacturer and have several distributors that are HUB certified and some that are not. How do I reflect this in the HSP?**

- If you do not have a Mentor/Protégé agreement with your HUB distributors, you must still make a good faith effort to contact three HUBs to notify them of subcontracting opportunities as required in Section Six of the HSP. The HUB vendors you contact can be HUBs that you currently use to distribute your goods.
- List all distributors you may use in Section Eight of the HSP. If the list exceeds two, include an attachment in the same format that continues the list.
- For all non-HUB distributors, provide written justification of your selection process as requested in Section Eight.

### **Are there detailed instructions on how to complete the HSP?**

- **Yes.** You can view detailed instructions on how to complete the HSP:
- <http://www.cpa.state.tx.us/procurement/prog/hub/hub-subcontracting-plan/>

### **What do I do if I select a Non-HUB vendor, will my response be disqualified?**

- **No.** Your response will not be disqualified, but you must include a detailed written justification of your selection process with your HUB Subcontracting Plan.

## **Common Errors**

### **Incomplete/Missing VID numbers**

Ensure that you include your VID number in Section One of the HSP. If you have not done business with the state before and do not have a VID, please provide your EIN in areas that ask for the VID. See IRS contact information above for EIN numbers.

### **Affirmations provided in lieu of descriptive language in Section Nine of the HSP**

It is not sufficient to simply affirm that you will complete the contractual obligations using your own resources. You must describe how you will do this using your own equipment, supplies, materials and/or employees.

### **Failure to make good faith effort**

- You must contact at least three HUBs per subcontracting opportunity and submit notification to a minority chamber, or business council. You are required to document that HUB vendors and councils were contacted and submit the supporting documentation with your HSP. This documentation can include phone logs, e-mails, faxes, etc.
- A minimum of 5 business day notification prior to bid close must be given.

Vendor submits an HSP with one subcontracting area mentioned in the HSP, but in the Executive Summary, there's a list of subcontractors, other "partners, or strategic partners" mentioned there. These areas were NOT included in the HSP and no Good Faith Effort notification performed.

Notification period is just short of 5 day minimum, or includes weekend days.

No justification statement detailing why a Non-HUB subcontractor is selected over other responsive HUBs.

### **No HSP included at all**

Material failure to comply with advertised specifications and your response will NOT go to Technical Review Team.