



City of Pflugerville

Legislation Text

File #: 2021-0546, Version: 1

Discussion regarding Texas Municipal Code Sec. 252.0215, Competitive Bidding In Relation To Historically Underutilized Business (HUB).

Sec. 252.0215. COMPETITIVE BIDDING IN RELATION TO HISTORICALLY UNDERUTILIZED BUSINESS. A municipality, in making an expenditure of more than \$3,000 but less than \$50,000, shall contact at least two historically underutilized businesses on a rotating basis, based on information provided by the comptroller pursuant to Chapter 2161, Government Code. If the list fails to identify a historically underutilized business in the county in which the municipality is situated, the municipality is exempt from this section.

CHAPTER 2161. HISTORICALLY UNDERUTILIZED BUSINESSES SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2161.001. DEFINITIONS. In this chapter:

- (1) "Goods" means supplies, materials, or equipment.
- (2) "Historically underutilized business" means an entity with its principal place of business in this state that is:
 - (A) a corporation formed for the purpose of making a profit in which 51 percent or more of all classes of the shares of stock or other equitable securities are owned by one or more economically disadvantaged persons who have a proportionate interest and actively participate in the corporation's control, operation, and management;
 - (B) a sole proprietorship created for the purpose of making a profit that is completely owned, operated, and controlled by an economically disadvantaged person;
 - (C) a partnership formed for the purpose of making a profit in which 51 percent or more of the assets and interest in the partnership are owned by one or more economically disadvantaged persons who have a proportionate interest and actively participate in the partnership's control, operation, and management;
 - (D) a joint venture in which each entity in the venture is a historically underutilized business, as determined under another paragraph of this subdivision; or
 - (E) a supplier contract between a historically underutilized business as determined under another paragraph of this subdivision and a prime contractor under which the historically underutilized business is directly involved in the manufacture or distribution of the goods or otherwise warehouses and ships the goods.
- (3) "Economically disadvantaged person" means a person who:
 - (A) is economically disadvantaged because of the person's identification as a member of a certain group, including:
 - (i) Black Americans;
 - (ii) Hispanic Americans;
 - (iii) women;
 - (iv) Asian Pacific Americans;

- (v) Native Americans; and
 - (vi) veterans as defined by 38 U.S.C. Section 101(2) who have suffered at least a 20 percent service-connected disability as defined by 38 U.S.C. Section 101(16); and
- (B) has suffered the effects of discriminatory practices or other similar insidious circumstances over which the person has no control.

(4) "Contract" includes an arrangement under which a state agency receives professional or investment brokerage services.

The City of Pflugerville Purchasing Policy requires compliance with Chapter 252.0215 of the Texas Municipal Code

The City's current process for procurement of more than \$3,000 but less than \$50,000 is as follows:

- Look up commodity code through the Comptroller's commodity book:
<https://mycpa.cpa.state.tx.us/commbook/>
- Take commodity code and lookup multiple HUB vendors using the Comptroller's CMBL:
<https://mycpa.cpa.state.tx.us/tpasscmbsearch/>
- Email no less than two HUB vendors in Travis County with specifications of product/service
- Wait for deadline
- Select vendor
- Send information to Finance for issuance of Purchase Order

- Finance process to issue Purchase Order:
 - § Review minimum of three quotes
 - § Review minimum of two HUB vendor quotes
 - § Review budget and funding
 - § Issue Purchase Order

Prior City Council Action

N/A

Deadline for City Council Action

N/A

Funding Expected: Revenue ___ Expenditure ___ N/A

Budgeted Item: Yes ___ No ___ N/A

Amount: ___ N/A ___

1295 Form Required? Yes ___ No

Legal Review Required: N/A Required ___ Date Completed: _____

Supporting documents attached:

None

Recommended Action

Discussion only

