

Historically Underutilized Business Construction Requirements  
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NC Office for Historically Underutilized Businesses

Please type in your Full Name and Organization Name in the Chat for attendance purposes.

# Questions we will answer in this training:

1. What is a HUB?
2. Why do we have to look for HUB vendors?
3. What are we required to do when it comes to finding HUB vendors?
4. How do we find HUB vendors?
5. Who needs to report on building construction spending?

**The Office for Historically Underutilized Businesses promotes diversity and inclusion in state government procurement and contracting.**

**The main roles of the HUB Office include:**

- HUB Certification.
- NC Small Business Enterprise Certification.
- Support the use of Historically Underutilized Businesses and NCSBEs.
- Business Development services to HUBs/NCSBEs.
- Compliance: Reporting of construction spending and goods/services purchases from NC state and local government entities.





# What is a HUB?

- Per NC General Statute [143-128.4](#)
- At least 51% of business is owned by one or more persons who are members of at least one of the groups in 143-128.4 (b).
- The management and daily business operations must be controlled by at least one owner in one of the groups in 143-128.4 (b).

## HUB Certification Categories

- Black
- Hispanic
- Asian American
- American Indian
- Female
- Disabled
- Disadvantaged



**1. Register in eVP (NC electronic Vendor Portal)**

- Firms need to register for both IPS and HUB
- E-Procurement registration is optional  
<https://vendor.ncgov.com/vendor/login>

**2. Submit completed and signed Statewide Uniform Certification Application**

<https://files.nc.gov/ncdoa/hub/SWUC-Application-Revised-10-19-2016.pdf>

**3. Submit required documents**

<https://files.nc.gov/ncdoa/New%20Certification%20Required%20Documents%20-final.pdf>

Certification lasts 4 Years, with 4-year recertification process.

It takes 45-90 days to determine if HUB once all documentation is received.

Reciprocity options if already certificated in a nearby state.

Vendors get a certification letter, there is no HUB certification number.



## Why do HUBs need to be certified?

- According to NC General Statute [143-128.4 \(e\)](#):

“Only businesses certified in accordance with this section shall be considered by State departments, agencies, and institutions, and political subdivisions of the State as historically underutilized businesses for minority business participation purposes under this Chapter.”

- Some support programs are only available to certified HUBs.



## How do firms get help with HUB certification?

- They can watch the certification training webinar available at: <https://www.youtube.com/watch?v=W4U8hbG7bVE>
- They can contact the HUB Office
  - Phone: 984-236-0130
  - [huboffice.doa@doa.nc.gov](mailto:huboffice.doa@doa.nc.gov)



## North Carolina Small Business Enterprise Certification Criteria

Governor Roy Cooper issued Executive Order 143 to support and address the impacts of COVID-19 on Small Historically Underutilized businesses. The HUB Office was charged with creating a Small Business Enterprise (NCSBE) program.

### Criteria

- For Profit business headquartered in North Carolina.
- The firm has an annual net income of not more than \$1,500,000, after cost of Goods Sold is deducted.
- The firm must have 100 or fewer employees.





## NCSBE Certification Process

**HUB FIRM:** Actively HUB certified firms, that meet NCSBE standards, can be certified as a NCSBE vendor with the submission of an [affirmation letter](https://files.nc.gov/ncdoa/documents/files/NCSBE-Affirmation-Letter-02.17.2021.pdf): <https://files.nc.gov/ncdoa/documents/files/NCSBE-Affirmation-Letter-02.17.2021.pdf>.

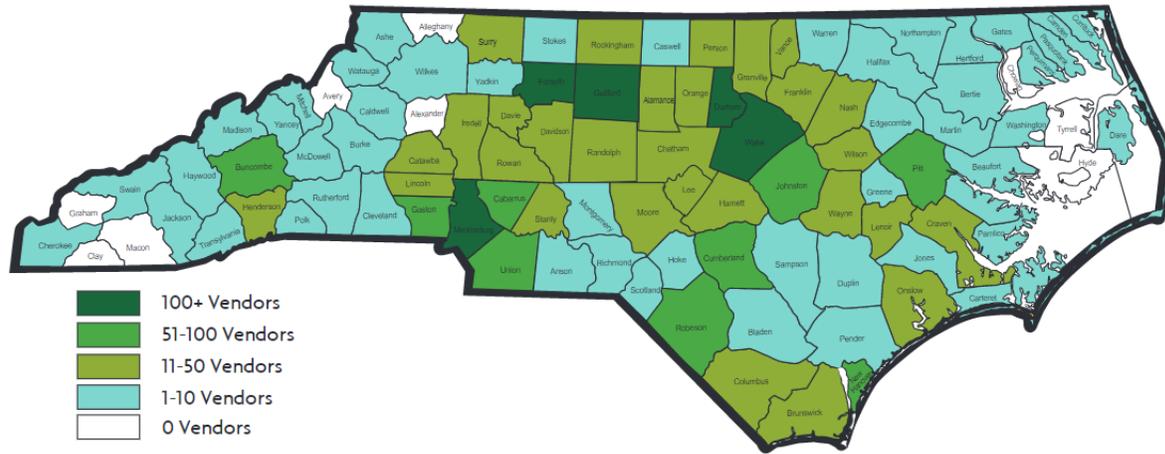
**NON-HUB FIRM:** A firm that is **not** HUB certified can apply for NCSBE certification by submitting...

- the NCSBE application [https://files.nc.gov/ncdoa/documents/files/NCSBE-Application-revised-061721\\_Fillable.pdf](https://files.nc.gov/ncdoa/documents/files/NCSBE-Application-revised-061721_Fillable.pdf)
- and required documents <https://files.nc.gov/ncdoa/documents/files/NCSBE-Required-Documents-0821.pdf>



# Vendors in North Carolina

HUB Certifications in North Carolina (October, 2021)

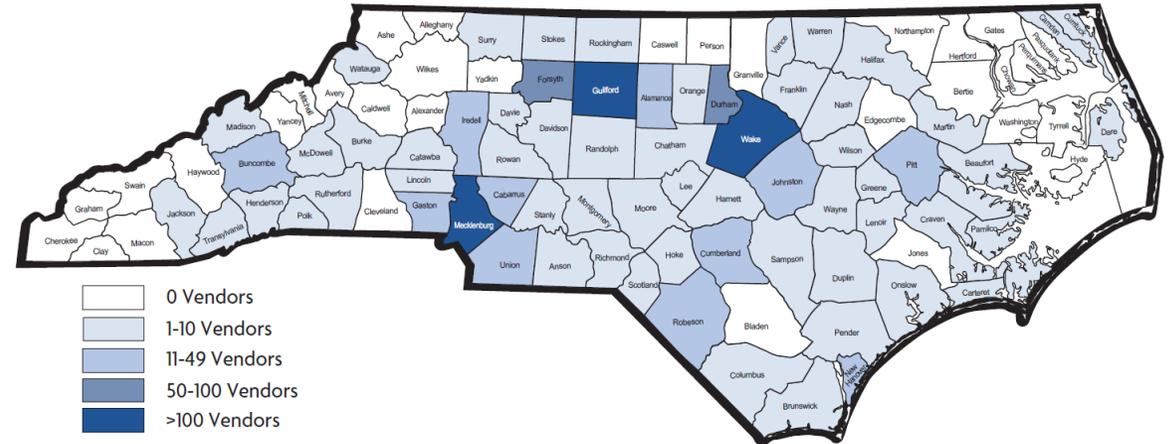


Total HUB Certified Vendors as of December 6, 2021: 5,683  
# certified or recertified since July 1, 2021: 858

HUB Vendor Search (can look for HUBs that are also NCSBE):

<https://www.ips.state.nc.us/vendor/searchvendor.aspx?t=h>

North Carolina Certified Small Business Enterprises by County



Total Certified NCSBEs as of December 6, 2021: 1,745  
# certified or recertified since July 1, 2021: 351

NCSBEs (HUB & non-HUB) can be found using the IPS Search for Vendor Information:

<https://www.ips.state.nc.us/vendor/searchvendor.aspx>



# Why do we have to look for HUB vendors?

As stated in Governor Cooper's [Executive Order Number 25](#) and expressed similarly in Executive Orders by prior Governors:

“it is vital that all North Carolinians have an opportunity to contribute economically by participating in business opportunities existing in government”

And... “the utilization of historically underutilized businesses (“HUBs”) is critical to creating a vibrant, sustainable, and diverse business community in the State of North Carolina”

# What do NC Statutes say about looking for HUB vendors?

- “It is the policy of this State to encourage and promote the use of small contractors, minority contractors, physically handicapped contractors and women contractors” for goods and services per NC General Statute [143-48](#).
- NC General Statute [143-131](#) states “All public entities shall solicit minority participation in contracts for the erection, construction, alteration or repair of any building awarded pursuant to this section.” Covers projects \$30,000 to \$500,000.
- NC General Statute [143-128.2](#) requires goals for minority business participation in state building projects and local building projects and spells out good faith efforts required of public entities and bidders to seek that participation.

# Why does NCSBE certification matter?

Executive Order 143 is titled “Addressing the Disproportionate Impact of COVID-19 on Communities of Color” and it...

- Directs the HUB Office to create the North Carolina Small Business Enterprise Program(NCSBE) and certify firms that meet size criteria and...
- Requires bids on projects \$250,000 or below from certified small HUBs or seek an exception from the Secretary of the Department of Administration.
  - NCSBE = “certified small”
- InterScope+ is set up to assess if an exception is required for state agencies, universities and community colleges.
  - HUB Office staff responsible for reviewing exceptions and supporting documentation showing what was done to reach out to certified small HUBs.



**What are we required to do when it comes  
to finding HUB vendors?**

- Minority Business Participation Goals
- Public Entity Responsibilities
- Good Faith Efforts
- Reporting

Note: Minority Business means HUB certified

# Goals: NC GS 143-128.2(a)

- State Building Projects: 10% goal for state agencies, community colleges and public universities.
- Local government unit:
  - If any State funds for a building project and cost is \$100,000 +, 10% shall be the HUB goal.
  - If cost is \$300,000+ and paid for with local funds (no State \$), the goal is established by the local government.
  - Includes projects done by a private entity on a facility to be leased or purchased by the local government.
  - Goal may be different if adopted before December 1, 2001 & local government had and continues to have sufficiently strong basis in evidence to justify goal.
  - UNC School of Government: Guidelines for Developing Documentation to Support Minority Business Participation Programs:  
[https://www.sog.unc.edu/sites/www.sog.unc.edu/files/additional\\_files/DisparityTools.pdf](https://www.sog.unc.edu/sites/www.sog.unc.edu/files/additional_files/DisparityTools.pdf)
  - Notice and public hearing required on appropriate percentage goal for minority participation for building projects.

# What projects have to be reported in HUBSCO or InterScope+



Building projects that are \$30,000 or more need to be reported (total cost).

Best practice recommended by the HUB Office is to seek minority participation at lower levels (\$5,000 and above).

- Building construction or repair projects
  - Per the UNC School of Government [HUB Participation in Building Construction Contracting by N.C. Local Governments: Statutory Requirements and Constitutional Limitations](#) not defined in statute.
  - Webster's Eleventh defines a building as "a roofed and walled structure built for permanent use."
- Applies to wastewater treatment systems, wastewater collection systems, water supply systems and water conservation projects (applicable if grant funds or loans specify use of minority firms).

- “Prefabricated or relocatable buildings or portions thereof, except that portion of work which must be performed at the construction site” do not need to be reported - GS [143-128.2 \(j\)](#).
- Street and Utility projects are not required to be reported.

Depending on Project Size Good Faith efforts apply for:

- Owners (the agency, school, university, college, local government)
  - Per the [State Construction Manual](#) (page 7) “The term “Owner” typically refers to the owning agency Capital Projects Coordinator (CPC) or designee.”
- Designers (the architect or engineer on a project).
- Companies bidding on the project.

# Owner Good Faith Efforts for Informal HUB Projects

Per NC General Statute 141-131 “All public entities shall...

- “Solicit minority participation in contracts for the erection, construction, alteration or repair of any building awarded pursuant to this section.”
- “Maintain a record of contractors solicited.”
- “Document efforts to recruit minority business participation in those contracts.”
- Report all data and documentation of efforts to recruit minority participation to the HUB Office upon the completion of the project.
- NOTE: Formal advertisement of bids not required. If these statutory requirements are followed, then the Owner should have everything required for an EO 143 Exception request.
- Per State Construction Office directive, as of July 1, 2015, the requirements to use the Minority Business Participation Guidelines and Affidavits were extended to projects \$100,000 or greater for **State agencies, community colleges, and universities**.
  - For projects \$30,000 to \$100,000 the owner is responsible for good faith efforts and shall document on an Affidavit A.

# Public Owner Good Faith Efforts for Projects that cost \$300,000 and above

Per NC General Statute [143-128.2 \(e\)](#) “Before awarding a contract, a public entity shall do the following”:

- Develop and implement a HUB participation outreach plan
- Attend the scheduled prebid conference.
- Notify interested HUBs about opportunity to bid on a project **at least 10 days** before bid opening; notification must include:
  - Description of the work
  - Date, time and location where bids are to be submitted
  - Public entity’s contact person for the project
  - Where bid documents can be reviewed
  - Any special requirements for the project
- Utilize other media likely to inform HUBs of the opportunity to bid.

Per the [Guidelines for Recruitment and Selection of Minority Businesses for Participation in State Construction Contracts](#) the following owner responsibilities apply (note that this document also discusses Designer responsibilities):

Note: For State Agencies, Community Colleges and Universities these requirements extend to projects \$100,000 or greater

- Maintain documentation of any contacts, correspondence or conversation with minority businesses in an attempt to meet the goals.
- Review jointly with the designer all requirements of G.S. 143-128.2 (c) and G.S. 143-128.2 (f) prior to recommendation of award.
- Evaluate documentation to determine good faith effort has been achieved prior to recommendation of award.
- Review prime contractors pay applications for compliance with minority business utilization commitments prior to payment.
- Make documentation showing evidence of Owner's responsibilities available for review by State Construction Office and HUB Office upon request.

Bidder Affidavits can be found in the file [Minority Business Participation Form](#).

- For Formal HUB projects ALL bidders shall include the following completed forms with their bids:
  - Identification of HUB Certified / Minority Business Participation.
  - Submit the appropriate affidavit, EITHER
    - **Affidavit A** Listing of Good Faith Efforts **OR**
    - **Affidavit B** Intent to Perform Contract with Own Workforce.
    - They would not submit both Affidavit A and B; they submit just one or the other.
- The ten Bidder Good Faith Efforts are identified in NC General Statute [143-128.2](#) and the [Guidelines for Recruitment of Minority Businesses](#).
  - Affidavit A with examples of acceptable documentation can be found here: <https://files.nc.gov/ncdoa/GFE-example.pdf>.

The apparent responsive, responsible bidder shall submit **EITHER**:

- **Affidavit C** (Portion of Work to be Performed by HUB certified businesses) if they met the project's HUB participation goal, **OR**
- **Affidavit D** (Good Faith Efforts) if they did not meet the project's HUB participation goal.
  - They must also provide documentation of their Good Faith Efforts.
  - Make sure they provide documentation for every item they selected on Affidavit A.
- Within 30 days of contract award provide list of all identified subcontractors the contractor will use for the project.

- No more than 50 points of good faith efforts can be required.
- Public entity may require additional good faith efforts as indicated in bid specifications.
- Failure to file affidavit or documentation of good faith efforts is grounds for rejection of a bid.

No Subcontractor identified in bid documents/affidavits may be replaced with a different subcontractor except:

- 1) If sub's bid is later determined to be non-responsible or nonresponsive, the sub refuses to enter into a contract or
- 2) With approval of the public entity for good cause.
- 3) With approval of the Director of the HUB Office for good cause.

- Good faith efforts apply to selection of a substitute subcontractor.
- PRIOR to substituting a subcontractor, the contractor shall identify the substitute subcontractor and inform the public entity of its good faith efforts.



How do we find HUB vendors?

# Statewide Uniform Certification Search for Vendor Information



- The HUB Office maintains the Statewide Uniform Certification, Search for Vendor Information:  
<https://www.ips.state.nc.us/vendor/searchvendor.aspx?t=h>
- All firms in this search are HUB certified firms.
  - Count changes frequently.
- You can search by company name, City, County, Commodities, Construction specialties.
- For company name search type in first 3-4 letters of company name (search is very literal).
- Use “%” in front of your search criteria if the name of the company does not start with your search criteria. Example: %plumb (to find plumbers).



This page allows you to search for vendors by one or more selection criteria. To search for a vendor, enter your search criteria in the form below and click the SEARCH button. If any criteria do not apply simply leave that item blank.

Vendor Number:

Company Name:  (type in just the first 3 or 4 letters to expand your results)

Contact Last Name:  (type in just the first 3 or 4 letters to expand your results)

Email Address:  (type in just the first 3 or 4 letters to expand your results)

HUB Certification: Yes

Small Business: Not Specified

City:

County:  Hold down the control(Ctrl) key and click to select multiple counties.

- All--
- ALAMANCE
- ALEXANDER
- ALLEGHANY

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<u>Company Name</u>	<u>Address</u>	<u>City, State</u>
<a href="#">Fortress Fencing LLC</a>	402 Jones Ferry Road	Carrboro, NC
<a href="#">Jones Grading &amp; Fencing, Inc.</a>	704 W. Tremont Avenue	Charlotte, NC
<a href="#">Jones Grading &amp; Fencing, Inc.</a>	1726 Toal Street	Charlotte, NC
<a href="#">Maybury Fencing INC.</a>	PO Box 1185	Norwood, NC
<a href="#">Quality &amp; Precision Fencing/welding</a>	4010 old chapel hill rd.apt1	Durham, NC

# HUB Vendor Search Example:



- Click "Create Excel Spreadsheet" to download the list into Excel.

Change Search New Search **Create Excel Spreadsheet**

- Search Criteria are shown for each search.

**Search Criteria:**  
**HUB Certification:** Yes  
**County:** 'BRUNSWICK'  
**Hub Status Abbreviation:**  
 B = Black, HA = Hispanic, AA = Asian American, AI = American Indian, W = Female, D = Disabled  
 SE = Socially and Economically Disadvantaged, DBE =Disabled Business Enterprise  
 Page 1 of 2 Total of 20 records found

- Click on the Company Name to get more information, like commodity codes and construction codes selected by vendor.

Company Name	Address	City, State	County	Zip	Contact Info	NC HUB	Small SBE	Bus.
<a href="#">Advanced concepts of southport inc</a> Advanced Concepts of Southport INC	516 lord street	southpoint, NC	BRUNSWICK	28461	Contact: frink, jwantana Phone: 910-352-8025 x  TollFree: 910-713-0030 Email: <a href="mailto:jgfrink@att.net">jgfrink@att.net</a>	B	Yes	Yes
<a href="#">B &amp; B Crane Service, LLC</a>	5007 Northside Dr PO Box 1594	Shallotte, NC	BRUNSWICK	28459-1594	Contact: Powell, Megan Phone: 910-755-5668 x Fax: 910-754-9381  Email: <a href="mailto:office@bandbcraneservice.com">office@bandbcraneservice.com</a>	W	No	Yes

- If no results:

Change Search New Search Create Excel Spreadsheet

**Search Criteria:**  
**HUB Certification:** Yes  
**County:** 'ALEXANDER'  
**Hub Status Abbreviation:**

B = Black, HA = Hispanic, AA = Asian American, AI = American Indian, W = Female, D = Disabled  
 SE = Socially and Economically Disadvantaged, DBE =Disabled Business Enterprise

Total of 0 records found

No vendors found!



## NC Interactive Purchasing System (IPS)

- Available for use by public entities (account may need to be set up if not already in place).
- Certain IPS users can log in and post RFPs.
- IPS public site: <https://www.ips.state.nc.us/ips/>
- E-mails sent to vendors that selected codes indicated in the IPS posting (HUB & Non-HUB).

Construction Services

Bid Number	Description	Date Issued	Bid Opening Date	Bid Opening Time	Help
<a href="#">SCO-17-16830-01A</a>	DPS - Div. of Adult Correction -Nash C.I - Roof Replacement at 4 Dorms <b>Mandatory Conf/Site Visit: 06/21/2017</b> A MANDATORY pre-bid meeting will be held on 06/21/2017 at 10:00am	6/5/2017	7/13/2017	02:00 PM ET	<a href="#">SCO-</a>
<a href="#">345-17-C0820</a>	Newbury Way Sewer Relay <b>Mandatory Conf/Site Visit: 06/13/2017</b> Pre-Bid is NOT mandatory	6/1/2017	7/11/2017	11:00 AM ET	<a href="#">345-</a>
<a href="#">SCO-16-13021-01A</a>	DHHS-Neuro-Medical Treatment Center- ELC-1 Building Alterations A pre-bid meeting will be held on Wednesday, June 21, 2017 at 10:00am	5/25/2017	7/6/2017	02:00 PM ET	<a href="#">SCO-</a>
<a href="#">323-17-184</a>	Request For Bid for Willow Drive	6/2/2017	6/30/2017	3:00 PM	<a href="#">323</a>

# Posting Bid Opportunities on HUB Office website

- Anyone can submit a bid opportunity.
- Minimum of 12 days before bids due (2 business days for posting, 10 calendar days before bids due).
- Bid Submission address: <https://ncadmin.nc.gov/businesses/historically-underutilized-businesses-hub/submit-contractor-bid-opportunity-hub>

## Organization Information

Organization Submitting BID Notification \*

## BID Information

BID Due Time \*

Hour  :   am  pm

BID Due Date \*

Month  Day  Year

BID Location Street Address \*

City \*

## Upcoming Events - HUB Bid Opportunities

145 upcoming events

Starts

Search for project or city

Apply

Reset

E.g., 12/28/2021

### Tuesday, December 28, 2021

[Robeson County - RFQ Engineering Services Town Of Fairmont Wastewater Treatment Plant - Lumberton, NC](#)

TUESDAY, DECEMBER 28, 2021  
550 NORTH CHESTNUT STREET  
LUMBERTON, NC 28358  
UNITED STATES

- **Minority Print Media / Websites :**

<https://ncadmin.nc.gov/businesses/historically-underutilized-businesses-hub/business-resources/minority-print-media>

- List shows publisher, location, contact information, coverage area and circulation frequency.
- Ads can be placed for a cost.

- **Construction Contracting Organizations:**

<https://ncadmin.nc.gov/businesses/historically-underutilized-businesses-hub/business-resources/construction-contracting>

- Many will post bid opportunities for their members.



Who needs to report on building  
construction spending?

- Construction spending (Discussed today)
  - State agencies: Cabinet Agencies, Council of State Agencies, Support Agencies.
  - Educational institutions: Public Universities, Community Colleges, Public Schools Systems.
  - Local governments: County Governments, Municipalities, other local public entities.
- Purchasing of Goods and Services (Covered in other trainings)
  - State Agencies, Public Universities, Community Colleges, Public School Systems.
- Reporting Systems:
  - **HUBSCO** is used by Public Schools Systems, County Governments, Municipalities, other local public entities.
  - **InterScope+** is used by State Agencies, Public Universities, Community Colleges.

## Reporting Periods

Period	Dates	Due Date
1 <sup>st</sup> Quarter	July 1 to September 30	October 10
2 <sup>nd</sup> Quarter	October 1 to December 31	January 10
3 <sup>rd</sup> Quarter	January 1 to March 31	April 10
4 <sup>th</sup> Quarter	April 1 to June 30	July 10



- Reminders are e-mailed quarterly to all HUBSCO users. HUBSCO training webinars typically conducted on a quarterly basis.
- Due dates are also discussed in each HUB Capital Project Coordinators meetings for agencies and community colleges.
- Dates are always available on the HUB Office website: [NC DOA : HUB Construction Expenditure Reporting](#).

# InterScope+ Training for State Agencies, Community Colleges and Universities

2021 InterScope Training Schedule can be found here:

<https://files.nc.gov/ncdoa/sco/2022-Interscope-Training-Calendar.pdf>



- InterScope+ User Manual is accessible to individuals with access to InterScope+ through the Help menu.
- Entering HUB Data is Section R which starts on page 89 of the User Manual.
- Be sure to use the HUB Submission Report to indicate Quarters when no projects were finalized.

Date	Class Title	Location
January 13, 2022	<a href="#">Agency Introduction to Interscope</a>	Online
January 20, 2022	<a href="#">Agency Advanced Interscope</a>	Online
February 10, 2022	<a href="#">Community Colleges Introduction to Interscope</a>	Online
February 17, 2022	<a href="#">Community Colleges Advanced Interscope</a>	Online
March 3, 2022	<a href="#">State Construction Conference</a>	McKimmon Center/Online

## Save the Date! 41st Annual State Construction Conference

The Conference will be held March 3, 2022 at the McKimmon Conference and Training Center in Raleigh, North Carolina. More details, including the opening of registration, will be announced soon.

Visit [go.ncsu.edu/scc](https://go.ncsu.edu/scc) or click here for conference updates and announcements. →



[Registration: State Construction Conference | McKimmon Center for Extension & Continuing Education \(ncsu.edu\)](https://go.ncsu.edu/scc)

HUB Office sponsors sessions at the conference and has most if not all staff on hand to network and act as resources.

HUB Office hosts a reception after the conference for HUB vendors to meet with prime contractors, community colleges, universities, state agencies and local governments.

Goal of 10%, spending reported to the HUB Office  
Quarterly reporting for Goods & Services as well as Construction

## FY 21-22 Construction Spending (as of December 22, 2021)

- Total Spending: **\$440,051,854**
- Spending with HUBs: **\$92,441,966**
- % Spending with HUBs: **21.01%**

## FY 21-22 Purchases of Goods and Services (as of December 22, 2021)

- Total Spending: **\$2,866,418,453**
- Spending with HUBs: **\$205,068,647**
- % Spending with HUBs: **7.15%**

**Only Certified HUBs count toward HUB \$ and HUB %**

# HUB Participation by Agency Category FY 21-22 as of Dec 22, 2021



<b>AGENCY CATEGORY</b>	<b>HUB TOTAL \$</b>	<b>TOTAL \$</b>	<b>HUB %</b>
Cabinet	\$1,938,214	\$7,393,987	26.21%
Community College	\$21,625,561	\$90,809,475	23.81%
Council	\$134,343	\$407,560	32.96%
Support	\$18,325	\$3,237,321	0.57%
University	\$56,475,831	\$264,864,941	21.32%
Counties	\$373,630	\$4,158,827	8.98%
Municipalities	\$5,502,107	\$35,630,096	15.44%
Public Schools	\$6,373,955	\$33,549,648	19.00%
<b>Total</b>	<b>\$92,441,966</b>	<b>\$440,051,854</b>	<b>21.01%</b>

# What you now know:



1. What companies can be HUBs.
2. Why we look for HUB vendors.
3. What public entities are required to do when it comes to finding HUB vendors.
4. How to find HUB vendors.
5. Who needs to report on building construction spending.

NC Office for Historically Underutilized Businesses

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984-236-0130