

Office for Historically Underutilized Businesses (HUB) Update



HUB Office Overview

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
- Advocacy and Business Development services
- Compliance & Reporting
- Minority Business Development Agency Business Center



What is a HUB?

PER NC GENERAL STATUTE 143-128.4 TO BE A HUB REQUIRES:

- 51% ownership and daily management / control by individuals in HUB Certification categories
- Must be HUB Certified to count towards HUB spending and HUB Participation

HUB CERTIFICATION CATEGORIES

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



Why we 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"

- [NC General Statute 143-128.4](#): Statewide Uniform Certification
 - Defines Historically Underutilized Business, DOA manages HUB certification
 - Only Certified HUBs count toward minority business participation
- [NC General Statute 143-128.2](#), [143-128.3](#) and [143-131](#):
 - Covers formal and informal construction contracting and reporting.
 - Includes description of Good Faith Effort by project Owners and bidders
- Goal of 10% established 143.128.2

Legislative Background

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 - Covers formal and informal construction contracting and reporting.
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- Goal of 10% established 143.128.2 (construction)



What is a NCSBE?

Executive Order 143 charged the HUB Office was charged with creating a Small Business Enterprise (NCSBE) program (NCSBE)

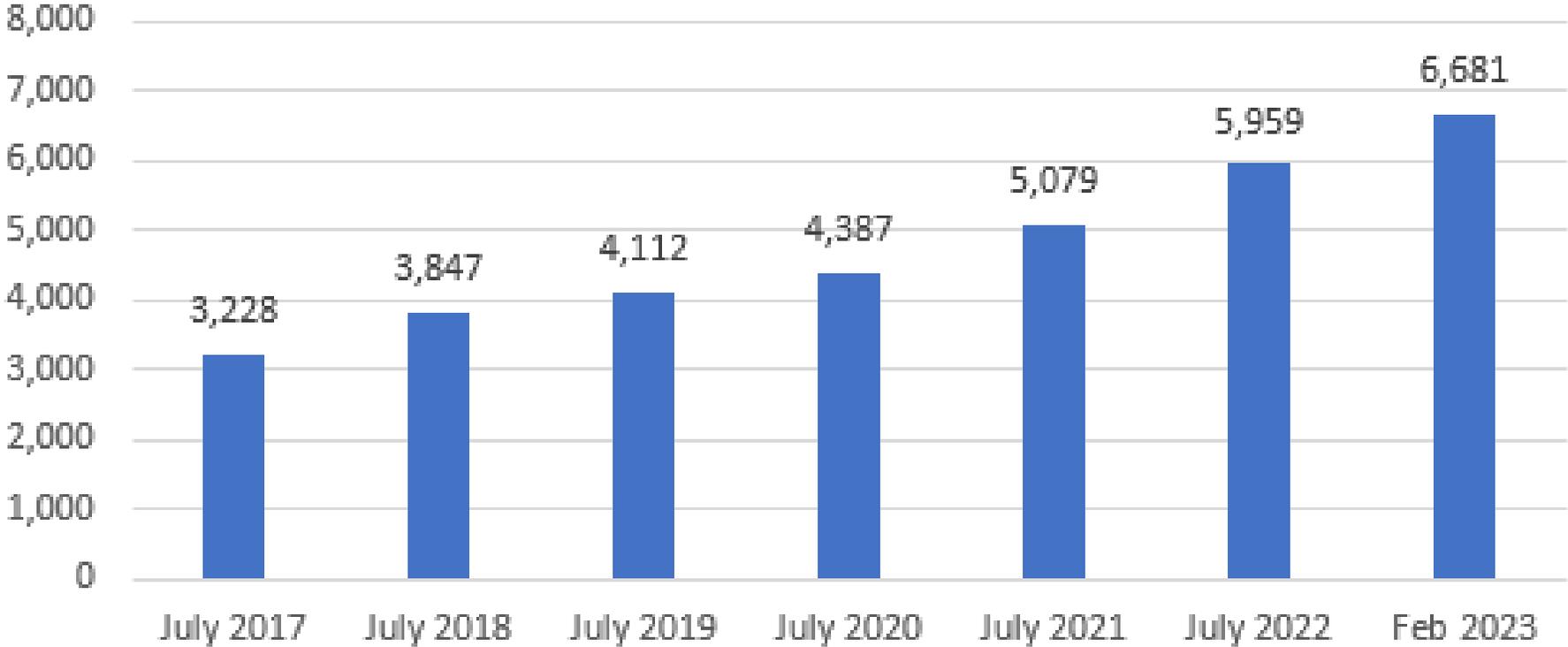
The NCSBE Program is a race, ethnicity, and gender-neutral program

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

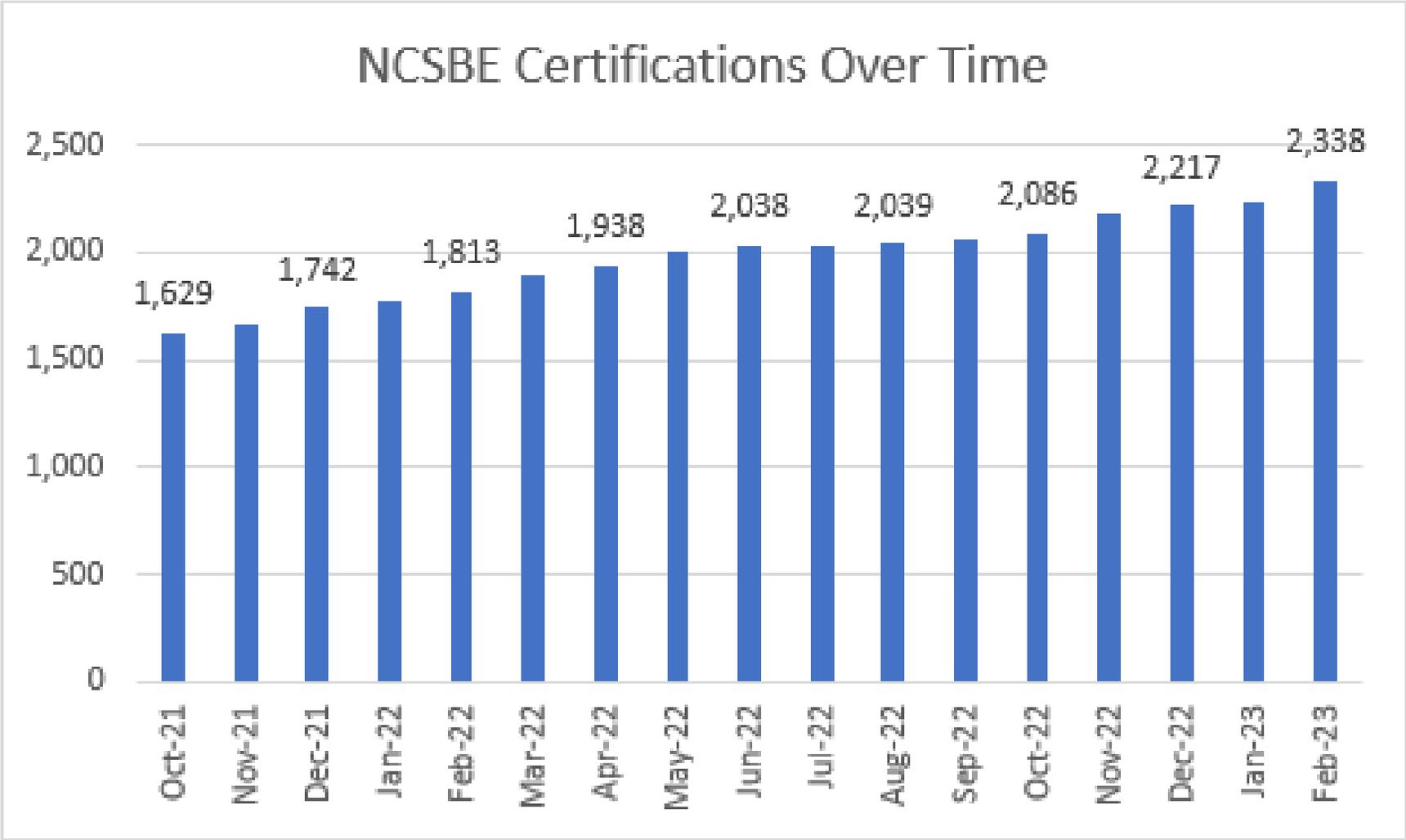
HUB Certifications Over Time

HUB Certifications Over Time
July 2017 to February 2023



HUB Certifications have more than doubled since July 2017

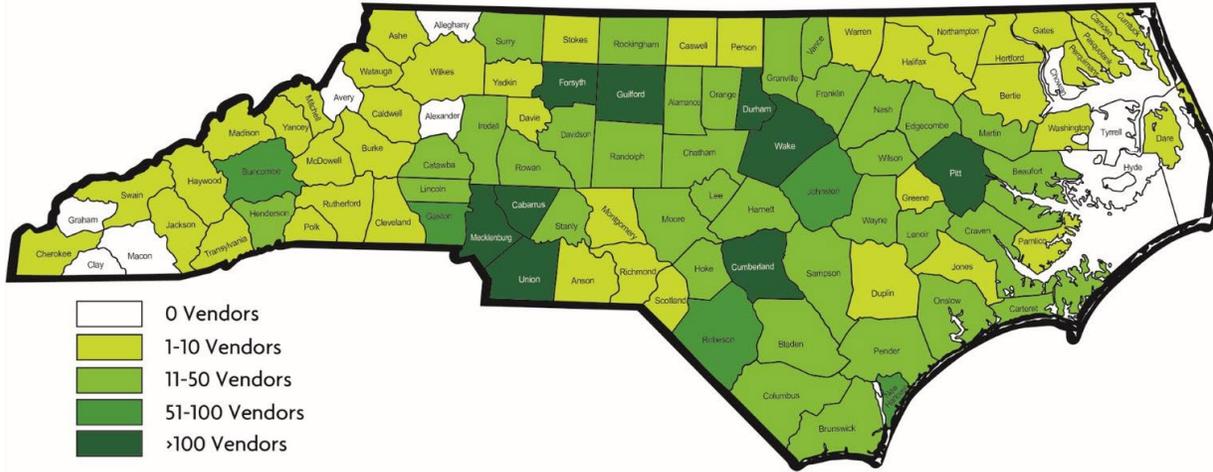
NCSBE Certifications Over Time



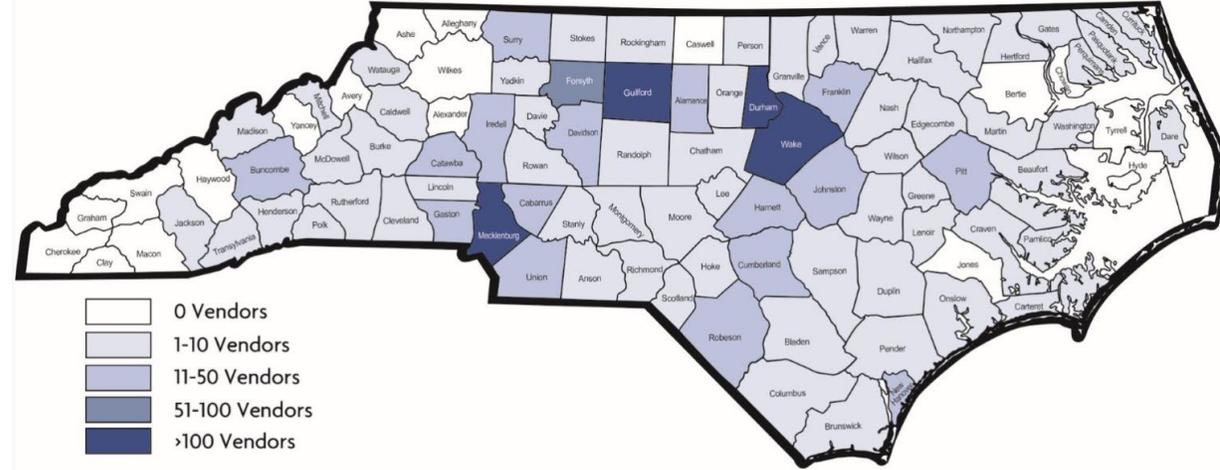
NCSBE Certification created per Executive Order 143 as response to COVID impact on minority communities.

HUB and NCSBE Vendors across North Carolina

HUB Certifications by County

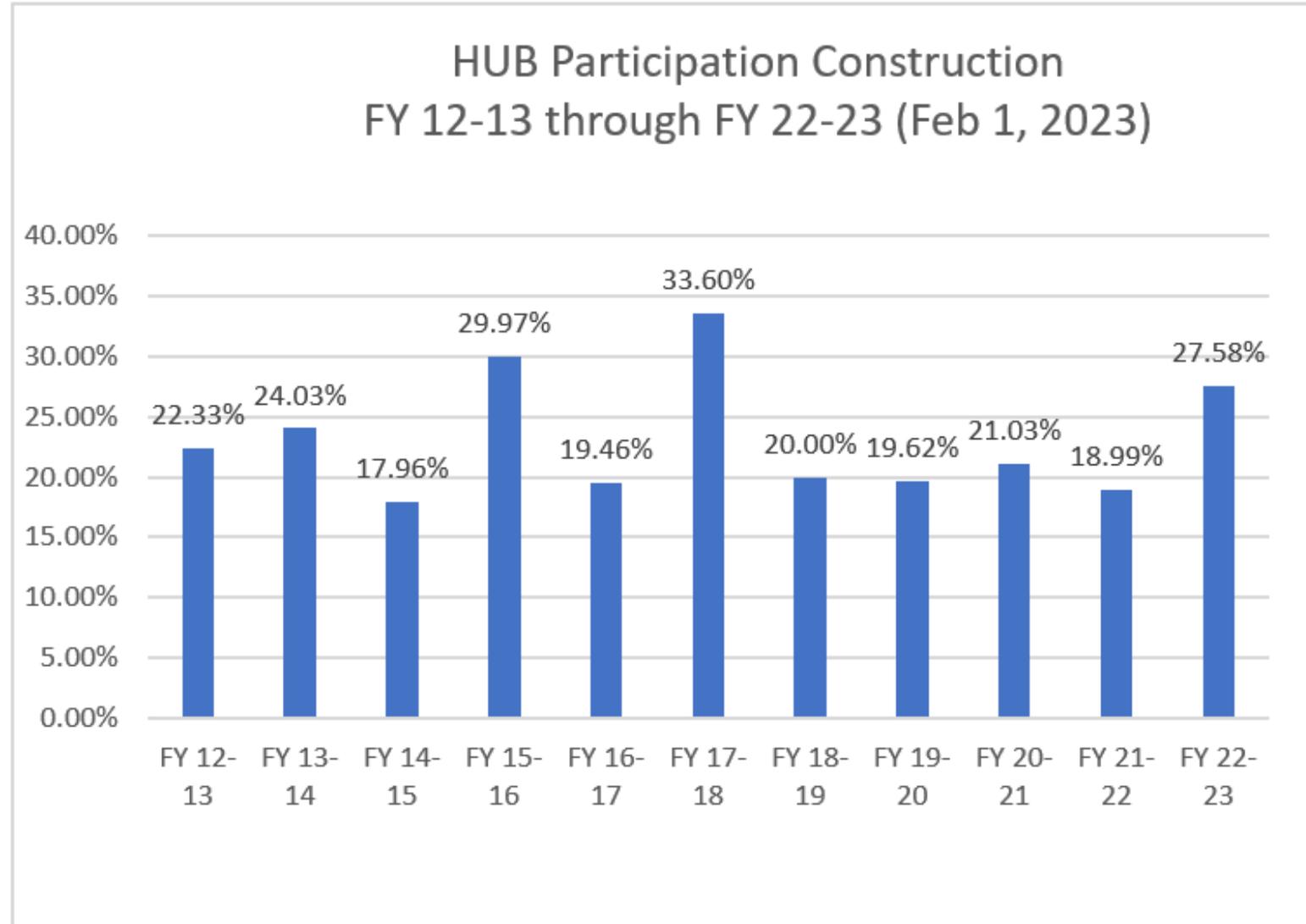


North Carolina Certified Small Business Enterprises by County



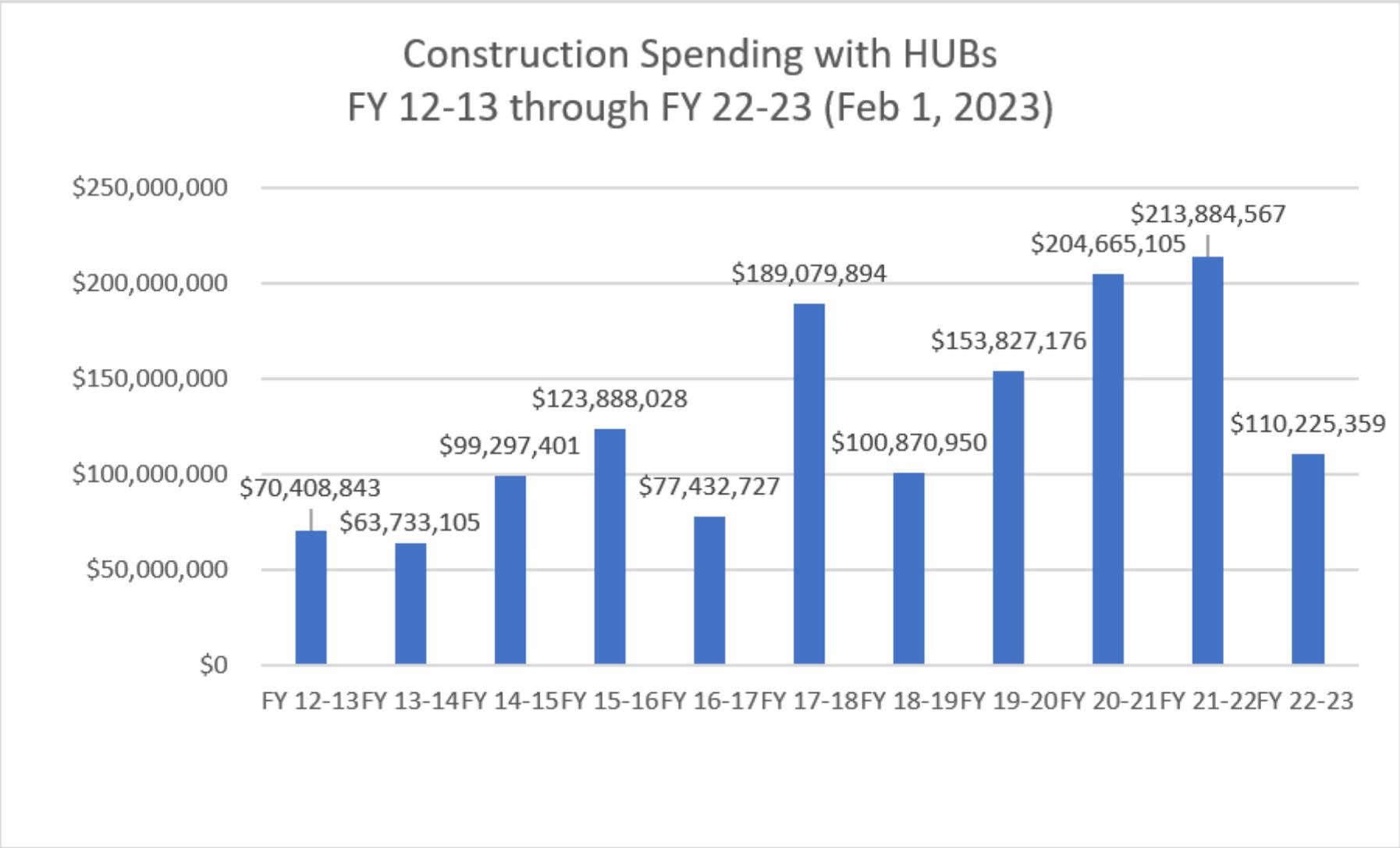
Construction Over Time - HUB Participation

FY 22-23 data available as of February 1, 2023 (not a full fiscal year)



Construction Over Time - HUB Spending

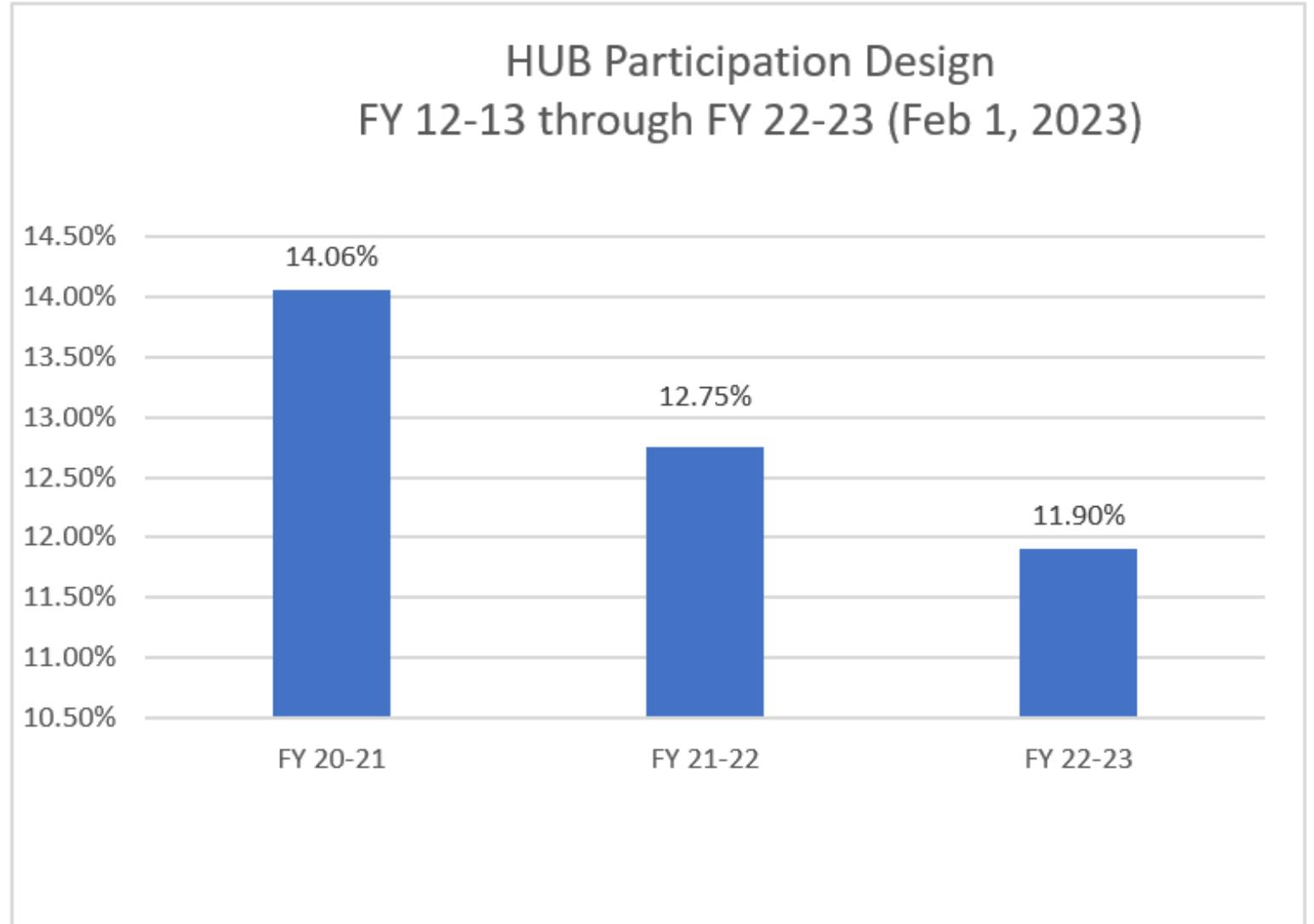
FY 22-23 data available as of February 1, 2023 (not a full fiscal year)



Design Over Time - HUB Participation

FY 22-23 data available as of February 1, 2023 (not a full fiscal year)

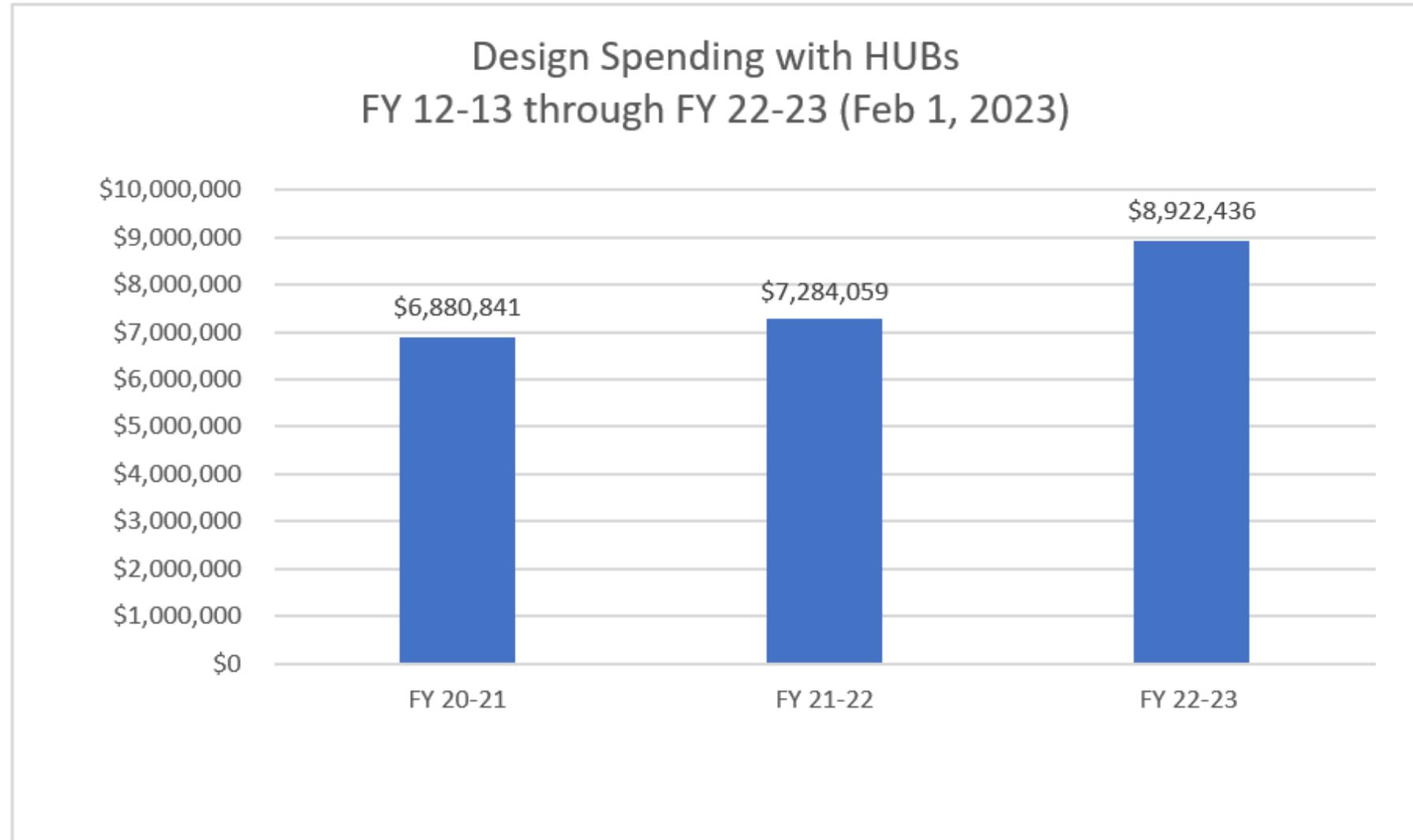
Design data is for InterScope+ using entities only: state agencies, community colleges and public universities.



Design Over Time - HUB Spending

FY 22-23 data available as of February 1, 2023 (not a full fiscal year)

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HUB Summary FY 22-23

Contract Type	Total HUB (\$)	Total Dept. (\$)	Total HUB (%)
Construction At Final July 1 2022 – Feb 1, 2023	\$110,225,359	\$399,586,761	27.58%
Design At Final July 1 2022 – Feb 1, 2023	\$8,922,436	\$74,949,052	11.90%

Comparison to FY 21-22 Q1-2

Construction: HUB \$ up by over \$24 million, HUB % up by over 11%

Design: HUB \$ up by over \$3 million, HUB % up by almost 2%

Posting Solicitation Opportunities to HUB Office Website

The screenshot shows a web browser interface for submitting BID opportunities. At the top is a navigation menu with links for Home, Divisions, Public, Businesses, Government, Advocacy, News, and About DOA. Below the menu, a blue banner reads "Please use this form to submit your BID opportunities." The form is titled "Organization Information" and includes a "Required" section. The first question is "1. Organization submitting BID notification *", with a text input field containing "Enter your answer". The second question is "2. Select the BID type below", with three radio button options: "Construction", "Goods and Services", and "Other". A blue "Next" button is positioned below the options. At the bottom left, there is a disclaimer: "This content is created by the owner of the form. The data you submit will be sent to the form owner. Microsoft is not responsible for the privacy or security practices of its customers, including those of this form owner. Never give out your password." On the right side of the form, there is a vertical sidebar with various links under the heading "Business Resources", including "HUB Construction Expenditure Reporting", "HUB Purchasing of Goods and Services Expenditure Reporting", "HUB FAQs", "About HUB", "Contact HUB", "HUBSCO Training Request Form", "HUB Awards for Excellence", "2021 State of North Carolina Disparity Study Report", "Forecasting & Statewide Term Contracts", "HUB Annual and Archive Reports", and "MBDA". At the bottom of the sidebar is a blue button labeled "Submit BID Opportunities to HUB".

Features

- DESIGN and Construction solicitations can be submitted (yes, it says "Bids", we are working to change that)
- Flexible scope of work field
- Ability to share website links to project data
- Indicate whether Pre-bids are onsite meetings, virtual meetings, or both
- Instantly receive a confirmation e-mail detailing what was submitted
- Automatically receive an e-mail once the bid opportunity has been posted

Link to form: <https://ncadmin.nc.gov/businesses/historically-underutilized-businesses-hub/submit-bid-opportunities-hub>

Attachments not supported on submission form (on purpose), can be added to posting notice by responding to notice that announcement is on the website.

System Improvements in Progress

- HUBSCO+ for reporting on construction projects for local governments, to be implemented
 - Replacement for HUBSCO (which has been in use since 2003)
 - Will link to HUB database, improving accuracy and reducing data entry requirements
 - Allow reporting on Design spending
 - To be implemented mid-March 2023
- Online certification process for HUBs and NCSBEs
- Improved search capability

NC MBDA BUSINESS CENTER

- \$1.5 million a 5-Year award from the US Department of Commerce Minority Business Development Agency in July 2021
- Funding established a business center to aid North Carolina minority business enterprise firms
- MBDA business centers provide minority-owned firms a platform to reach global and domestic markets, enhancing growth, access to capital, contract opportunities and assistance in identifying strategic partners
- \$625,735 awarded as Coronavirus Relief Funding for further training and development
- \$95,000 awarded for navigating federal contracting opportunities



Target Market for the Program:

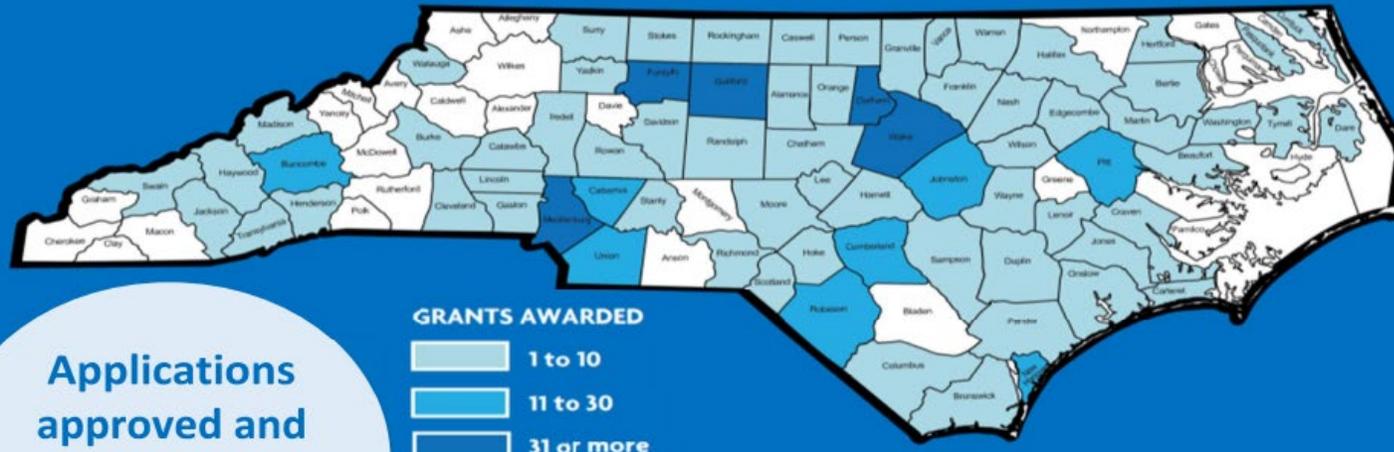
- Minority Business Enterprises (MBEs) owned and operated by African Americans, Asian Americans, Hasidic Jews, Hispanic Americans, Native Americans, and Pacific Islanders
- Main business office location in the state of NC

ncmbda@doa.nc.gov

919-294-3740

RETOOLNC

DISTRIBUTION OF APPLICATIONS



Applications approved and funded
2,257

Total Grant funds distributed to NC firms
\$40,777,404

Grants awarded to HUB and Disadvantaged Business Enterprise certified firms with demonstrated negative economic impact on as a result of COVID-19 pandemic.

This document was created on Dec 8, 2022 by Arthur Anderson



THANK YOU TO OUR SUPPORTERS



www.ncadmin.nc.gov

2023 State Construction Conference

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Thank You for the Partnership

