

HUB Tips From A State Agency Perspective

2025 ~~PEAK~~ BREAKOUT SESSION

ELEVATING NC PROCUREMENT TOGETHER



HUB Tips From a State Agency Perspective

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About Us



Our mission is to improve the economic well-being and quality of life for **all North Carolinians**

- To do that, the Department works closely with local, regional, national and international organizations to propel economic, community and workforce development for the state.
- Commerce connects businesses with the site locations, workforce and infrastructure they need to succeed in one of the nation's top states for business. Commerce also connects local communities with the grants and funding they need to attract new business and ensure future prosperity.
- Additionally, our agency administers the state's economic incentives program and publishes data, statistics, information and reports for those interested in our state's economy.



Our Divisions

- Employment Security
- Workforce Solutions
- Rural Economic Development
- Community Revitalization
- Labor & Economic Analysis
- North Carolina Welcome Centers
- Science, Technology & Innovation
- Appalachian Regional Commission
- Banking Commission
- Rural Electrification Authority
- NC Innovation Council
- Credit Union Supervision
- Marine Industrial Park Authority

***That's a lot of work for
fewer than 1,650
people!***

***And for a Procurement
staff of 6.***



Small Agency

- Commerce is a small agency in the Executive Branch.
- That 1,650 head count includes our divisions, boards and commissions.
- Our corner of our floor includes the Secretary's Office, the General Counsel, Legislative Liaison and Fiscal/Purchasing.
- Access and flexibility
- Staff size can be limiting
- Example how small size helps: one day to get HUB Policy approved by General Counsel and Secretary's Office
- This is how we work—others have even better HUB results, our goal is consistency and growth of HUB spend
- Thank you to all with HUB Plans from whom we borrowed liberally



Topics

- **Policy**

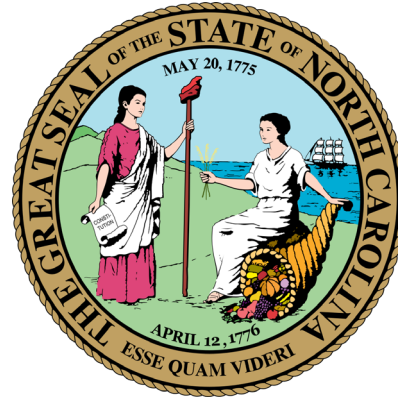
- Goal of Plan
- Policy Statement
- Objectives
- Strategies
- Implementation
- Shared Responsibility

- **Reporting**

- Spend Analysis
- Basics to Check
- Keep Equation in mind



State Policy



It is the policy of this State to encourage and promote the use of small contractors, minority contractors, physically handicapped contractors, and women contractors in State purchasing of goods and services. §143-48

All State agencies, institutions and political subdivisions shall cooperate . . .

Every governmental entity required by statute to use the services of the Department of Administration in the purchase of goods and services shall report . . .



Commerce Policy: Goal

- To increase the inclusion of Historically Underutilized Businesses (HUBs) in Department of Commerce procurements and contracts, ultimately creating jobs, expanding economic opportunity on all public contracts.
- The Department strives to include those businesses owned by minorities that have been historically underutilized and excluded from the supplier market. As a coordinated effort is necessary to eliminate barriers impeding equal opportunity, the Department requires all those associated with its procurements and contracts to commit to this goal and to promote the recruitment and utilization of HUBs.
- The Department will act to achieve or exceed the goal of ten percent (10%) participation as measured in dollars paid to certified HUBs on all eligible procurements and contracts.





Policy Statement

It is the policy of the Department of Commerce:

- To provide businesses owned by minority persons equal access and opportunity to participate fully in the procurement process;
- To prohibit discrimination against businesses on the basis of race, color, national origin, disability, age, or sex (including sexual orientation and gender identity);
- And to promote and encourage competition.
- This policy will be implemented and monitored via the HUB Plan, in addition to other procurement policies.
- This plan will be reviewed quarterly and revised as needed.



Plan Objectives

- To provide Historically Underutilized Businesses (HUBs) equal access and increased opportunities in participating in the Department's procurement and contracting of goods and services process.
- To meet and strive to exceed the State's goal of 10% HUB utilization.
- To demonstrate commitment to the State of North Carolina's HUB program.
- To raise the awareness of the State's HUB program within the Department and in the business community.
- To increase the level of knowledge within the Department about HUBs and to raise awareness of goods and services offered by HUBs.
- To provide clear and efficient procedures for monitoring compliance with the HUB program.
- To encourage minority-owned and women-owned businesses to obtain certification with the North Carolina Department of Administration's Office for Historically Underutilized Businesses.



Commerce Strategies

- **Educating** staff at all levels on the importance of utilizing HUB certified businesses through in-person and online training; group meetings; and other presentations.
- **Challenging** end users to seek out HUB vendors and solicit quotes for goods and/or services, requiring at least one quote from a HUB vendor for purchases under \$50,000 in most cases. Other procurement rules, including requirements to use mandatory Statewide term contracts, still apply.
- **Empowering** procurement specialists to require HUB quotes from end users and to deny requests that do not comply.
- **Encouraging** businesses that are minority/woman-owned to become certified if they are not currently certified.
- **Sharing** information regarding HUBs, including training materials, results, policies, tools and other resources through the Commerce Intranet
- **Participating** in HUB sponsored outreach events to meet and network with HUB certified businesses (i.e. conferences, MED Week events, HUB Office meetings, etc.).
- **Maintaining** a strong working relationship with the Office for Historically Underutilized Businesses
- **Communicating** specific project needs and forecasts to the Office for Historically Underutilized Businesses for posting on the HUB website
- **Collaborating** with other Commerce support sections (Human Resources, Business Technology Services, Communications, etc.) on HUB initiatives



Implementation

- While full details are contained in the Commerce Purchasing Manual, non-IT purchases are classified as follows, with the Department's specific requirements listed for each threshold:
- **Small purchases <\$29,000:** To expedite approval, 1 HUB quote is required unless otherwise justified.
- **Informal bidding \$29,000-\$50,000:** Three quotes on P&C templates, including at least 1 HUB quote, are required unless otherwise justified.
- **Formal bidding >\$50,000:** Public posting on IPS with prior P&C approval is required. At least 1 potential HUB vendor required with Request for Procurement Services form, unless otherwise justified.
- "Otherwise justified" includes unavailability of a HUB vendor on a Statewide term contract; approved waiver of competition or sole source certification; documented lack of HUB vendors in that commodity or service area; documented unresponsive HUB vendors; satisfactory explanation on E-procurement requisition; and other considerations at the discretion of the Purchasing Director.



Shared Responsibilities

- Commerce Leadership
 - Ensure that the Department engages in good faith efforts to encourage HUB participation in purchasing goods and services
- Chief Financial Officer
 - Collaborate with Procurement Office to determine strategies to meet HUB goal
- Procurement Office
 - Maintain overall responsibility for the development and implementation of agency procurement processes and achieving the agency's annual HUB goal.
- Division Management and Staff
 - Ensure that the Division's E-procurement requesters and approvers understand HUB expectations and that they submit requisitions in compliance with the Department's requirements:
 - Submit a HUB quote for each purchase under \$29,000 as appropriate, documenting HUB searches and contacts.
 - Provide a potential HUB vendor for purchases between \$29,000 and \$50,000 unless otherwise justified.
 - Provide a potential HUB bidder for purchases over \$50,000 unless otherwise justified.



Reporting

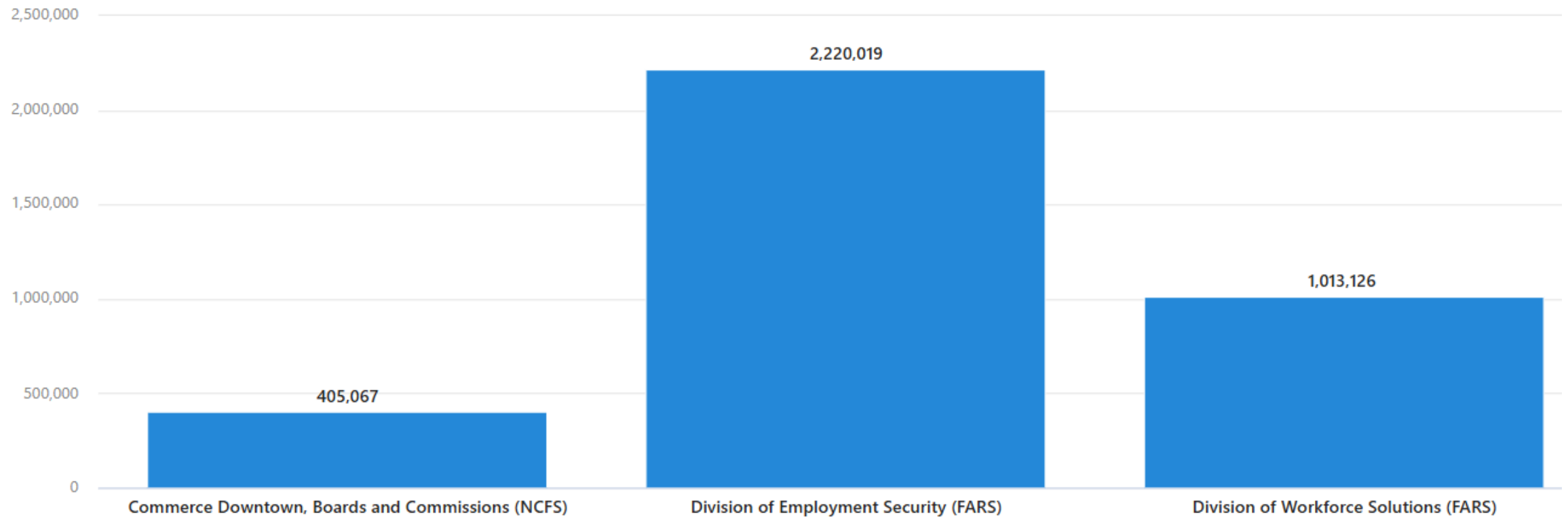
- Use data to identify trends, recognize best practices, and determine which efforts are most effective in increasing HUB utilization.
- Consolidate HUB results from the Department's financial systems and report quarterly totals to the HUB Office through eVP. The Department's quarterly results, along with Division results, will be posted on the Commerce Intranet.

Current HUB Metrics	
FY 25 Mid-Year HUB Spending Results	FY 25 Mid-Year HUB Percentage
\$2,175,032	18.16%
HUB Spending Results FY24	HUB Percentage FY24
\$3,638,212	11.71 %

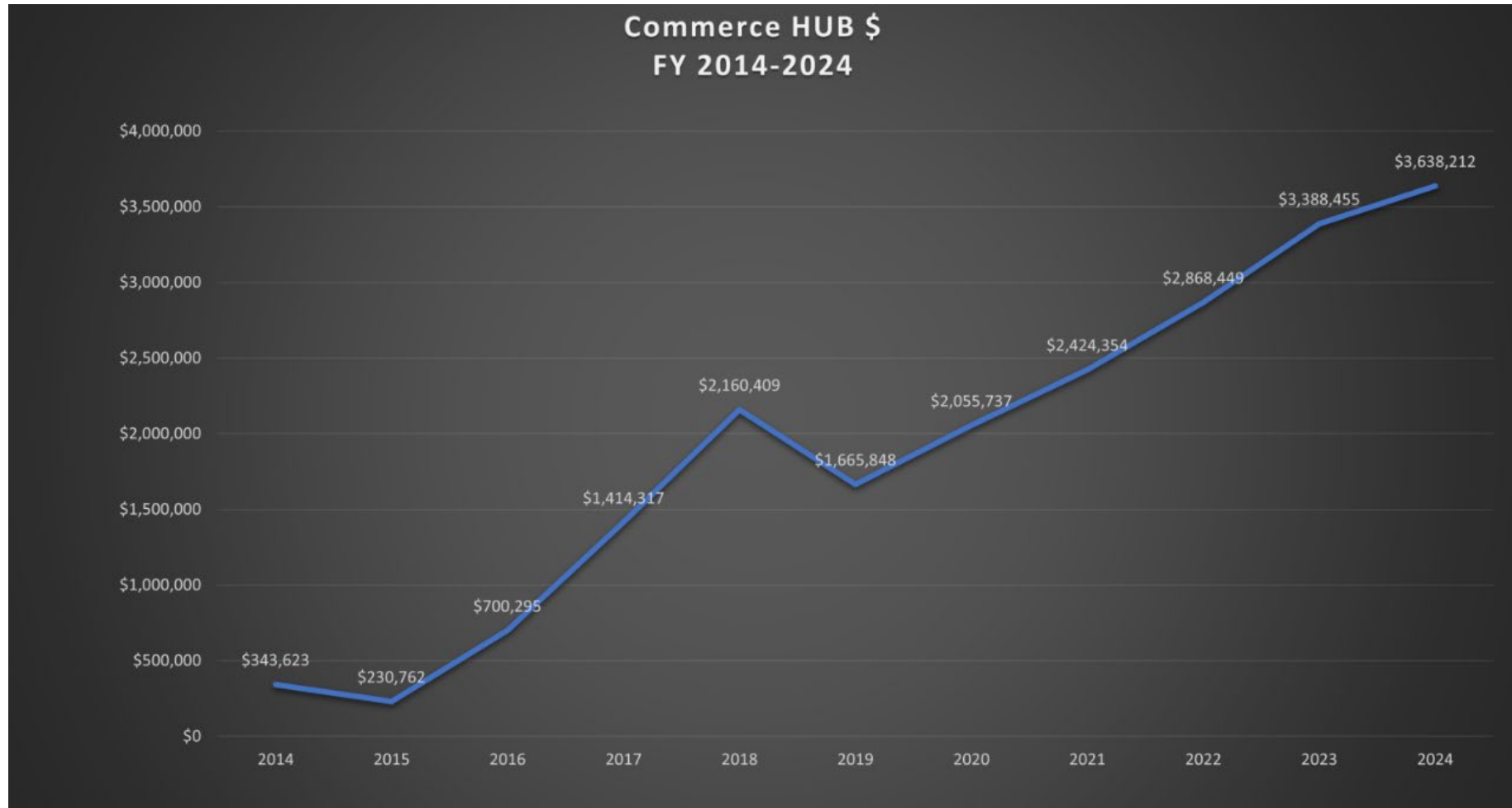


Reporting

Total FY24 HUB Spend by Accounting Unit - YTD in Dollars



Reporting



Reporting

The Department's quarterly results, along with Division results, are posted on the Commerce Intranet.

Appalachian Regional Commission	\$138	\$0	0.00%
Banking Commission	\$2,840	\$1,724	60.70%
Career Portal	\$0	\$0	#DIV/0!
CDBG	\$2,147	\$275	12.81%
Communications/Graphics	\$287	\$0	0.00%
Community Assistance	\$254	\$0	0.00%
Credit Union Supervision	\$2,195	\$631	28.75%
Division of Workforce Solutions	\$560,882	\$355,581	63.40%
Division of Employment Security	\$3,587,341	\$81,505	2.27%
Fiscal Services and Purchasing	\$30	\$0	0.00%
Human Resources	\$340	\$260	76.47%
JDIG Fees	\$0	\$0	#DIV/0!
LEAD	\$10,190	\$10,140	99.51%
MIS	\$0	\$0	#DIV/0!
NC Towers	\$0	\$0	#DIV/0!
Public Staff	\$4,590	\$3,029	65.99%
Rural Economic Development	\$215	\$0	0.00%
Rural Electrification Authority	\$0	\$0	#DIV/0!
Rural Grants Management	\$0	\$0	#DIV/0!
Science and Technology	\$0	\$0	#DIV/0!
Secretary's Office	\$4,446	\$316	7.11%
Utilities Commission	\$44,416	\$12,113	27.27%
Visitor Services	\$14,027	\$758	5.40%
Wanchese	\$120,508	\$0	0.00%
Total	\$4,356,278.00	\$466,353.00	10.71%



What Are We Looking For?

i03427	FSIOFFICE	141115THF	THF	1	INSIDE DELIVERY GLOBAL C	GE	370.00	10
i03427	FSIOFFICE	441220CHF	CHF	1	SMEAD EXPANDABLE FOLD	GE	225.41	1
i96790	CALDWELL CO CHAMBER OF COMMERC	801015S	S	1	MEMBERSHIP REQUEST KIM	SE	250.00	1
i80272	PROSHRED SECURITY	801615S	S	1	SHREDDING SERVICE FOR	SE	16.20	1
i80272	PROSHRED SECURITY	801615S	S	1	SECURED DOCUMENT SHF	SE	45.00	1
i93438	NC ECONOMIC DEV. ASSN. (NCEDA)	801015S	S	1	MEMBERSHIP RENEWAL MI	SE	295.00	1
i93438	NC ECONOMIC DEV. ASSN. (NCEDA)	801015S	S	1	MEMBERSHIP RENEWAL KA	SE	295.00	1
i93438	NC ECONOMIC DEV. ASSN. (NCEDA)	801015S	S	1	MEMBERSHIP RENEWAL FE	SE	295.00	1
i93438	NC ECONOMIC DEV. ASSN. (NCEDA)	801015S	S	1	MEMBERSHIP RENEWAL LA	SE	295.00	1
i93438	NC ECONOMIC DEV. ASSN. (NCEDA)	801015S	S	1	MEMBERSHIP RENEWAL VE	SE	295.00	1
i93438	NC ECONOMIC DEV. ASSN. (NCEDA)		S	1	REG-MICHELLE MUIR-NCEI	SE	450.00	1
i17769	GEOGRAPHIC SOLUTIONS INC	811122S	S	1	VIRTUAL ONESTOP SOFTWA	SE	151,756.96	1
i34719	VECTOR SECURITY, INC	921217S	S	1	MONITORING SERVICE PRO	SE	34.76	1
i17769	GEOGRAPHIC SOLUTIONS INC	811122S	S	1	AMENDMENT 1, RFQ 43-135	SE	68,500.00	1
	CENTRAL SECURITY SYSTEMS INC	921217S	S	1	CENTRAL STATION MONITO	SE	68.10	1
i31003	NC NURSERY & LANDSCAPE ASSOC		S	1	NCNLA-GREEN & GROWN E	SE	150.00	1
i99244	CRAWLEY INVESTMENTS, LLC	781018S	S	1	MOVING SERVICE FOR DW	SE	2,650.00	1
i58409	NCDAC/CORRECTION ENTERPRISES	491017T	T	1	LADIES WATCH	GE	125.94	1
i58409	NCDAC/CORRECTION ENTERPRISES	491017T	T	1	HAND CAST PENDANT BY H	GE	28.48	1
i58409	NCDAC/CORRECTION ENTERPRISES	491017T	T	1	25 YEAR MEDIUM POTTERY	GE	191.57	1
i58409	NCDAC/CORRECTION ENTERPRISES	491017T	T	1	GARMENT BAG	GE	102.00	1
i58409	NCDAC/CORRECTION ENTERPRISES	491017T	T	1	STATE SEAL CAP	GE	14.64	1
i09669	HOLMES SECURITY SYSTEMS	921217S	S	1	SECURITY SERVICES MANA	SE	300.00	1

Transactions that should not be included (government payees and other ineligible categories like travel, utilities, memberships, sponsorships, subscriptions).



What Are We Looking For?

Vendors who may have lost HUB certification: outreach opportunity

Payment Accounting Date	Contract ID	Vendor Name	HUB Category	HUB Status
7/10/2024		BFPE INTERNATIONAL	Non-HUB	Non-HUB Spend
7/10/2024		BFPE INTERNATIONAL	Non-HUB	Non-HUB Spend
7/10/2024		BFPE INTERNATIONAL	Non-HUB	Non-HUB Spend



What Are We Looking For?

Pcard Vendor Name	Accounting Date	Remit to Supplier Name	Remit to Supplier Site	Agency Description	Budget Fund	Account	Account Description
UBER TRIP	10/14/24	BANK OF AMERICA - PCARD ONLY	PCARD.4300	DEPARTMENT OF COMMERCE	104601	55675000	P-CARD CLEARING
COURTYARD BY MARRIOTT	10/14/24	BANK OF AMERICA - PCARD ONLY	PCARD.4300	DEPARTMENT OF COMMERCE	104601	55675000	P-CARD CLEARING
NCACPA	10/14/24	BANK OF AMERICA - PCARD ONLY	PCARD.4300	DEPARTMENT OF COMMERCE	104601	55675000	P-CARD CLEARING
NATL ASSN REG UTIL COMM	10/14/24	BANK OF AMERICA - PCARD ONLY	PCARD.4300	DEPARTMENT OF COMMERCE	104601	55675000	P-CARD CLEARING
HAMPTON INN	10/14/24	BANK OF AMERICA - PCARD ONLY	PCARD.4300	DEPARTMENT OF COMMERCE	104601	55675000	P-CARD CLEARING
UNC CH KFBS EVT REG INT	10/14/24	BANK OF AMERICA - PCARD ONLY	PCARD.4300	DEPARTMENT OF COMMERCE	104601	55675000	P-CARD CLEARING
NCSU OPD INT	10/14/24	BANK OF AMERICA - PCARD ONLY	PCARD.4300	DEPARTMENT OF COMMERCE	104601	55675000	P-CARD CLEARING

Use detailed **P-card** reports to remove travel expenses, memberships and other ineligible spend NC PCARD Invoice Report (RPTAP043)



What Are We Looking For?

- Identify Statewide term contract purchases that could have been from a HUB vendor

5610A	FORMS & SUPPLY INC	Female	HUB Spend	NC539795	PEDS - HON Mod 15Wx20Dx28H B/B/F Mobile Pedestal, HLPLPMBBF .LSE1 .LSE1 = Sepia Walnut (Laminate Finish)
5610A	FORMS & SUPPLY INC	Female	HUB Spend	NC539795	HAT DESK - HON Flat Bracket 24D, HHN831124 .S .S = Charcoal (Color Option)
5610A	FORMS & SUPPLY INC	Female	HUB Spend	NC539795	HAT DESK - HON Mod External Stiffener for 72, HLPLXS72 .BLKP, .BLKP = Black (Paint Color)
880A	CAMCOR INC	Non-HUB	Non-HUB Spend	NC525853	Tripp lite DWF4585X Fixed/Flat Wall Mount for 45 - 85 Displays. See attached Camcor, Inc. Quote #068747150.
880A	CAMCOR INC	Non-HUB	Non-HUB Spend	NC525853	Samsung BE75C-H 75-inch BEC Series Pro Commercial Crystal 4K UHD Television. See attached Camcor, Inc. Quote #068747150.
880A	CAMCOR INC	Non-HUB	Non-HUB Spend	PO	LG 75UR640S9UD 75 HDMI(3), USB(1), WIFI RF IN, R OUT(RS-232C), RJ45, AUDIO OUT
880A	CAMCOR INC	Non-HUB	Non-HUB Spend	PO	UT7590 Series LG UHD TV UT75 43



Spend Analysis

- Filter payment data by HUB category.
 - Learn who your vendors are, paying special attention to HUB status and category
 - Are any of your current uncertified vendors potential candidates for HUB certification?
- Of the non-HUB vendors remaining, sort by contract number
 - Review contract vendors to ensure that HUB vendors are being used if available
- Of the non-contract, non-HUB vendors, sort by expense center or commodity code.
 - What areas can be targeted for increased usage of HUB vendors? Entire categories for potential HUB growth become obvious, such as maintenance and repairs.
 - Recurring items that are not covered by contracts become more visible in these cumulative reports and provide opportunities to engage HUB vendors.
- Calculate the HUB percentage by Division
 - Review contract vendors to ensure that HUB vendors are being used if available



Remember the Equation

$$\begin{array}{ccccc} \textbf{HUB Spend} & \div & \textbf{Total Eligible Spend} & = & \textbf{HUB \%} \\ \text{(Maximize)} & & \text{(Minimize)} & & \end{array}$$

