

## HUB OUTREACH PROGRAM

### Town of Kure Beach, North Carolina

#### 1. PURPOSE.

**1.01.** In awarding contracts costing more than \$300,000 or more for the construction, repair, or renovation of public buildings (hereinafter “Formal Public Building Contracts”<sup>1</sup>), and per N.C.G.S. § 143-128.2, it is the policy of the Town of Kure Beach (“Town”) to achieve a verifiable goal of 10% participation by historically underutilized businesses in performing those contracts noting that the Town is mandated to award Formal Public Building Contracts to the lowest, responsible, and responsive bidder regardless of historically underutilized business requirements.

#### 2. DEFINITIONS.

*Historically Underutilized Business (“HUB”)* means a business at least 51% of which is owned by, or in the case of a corporation, at least 51% of the stock is owned by, one or more persons who are members of at least one of the groups listed below and that the management and daily operations of the business are controlled by one or more owners of the business who are members of at least one of the groups listed below as follows:

1. Black – A person having origins in any of the black racial groups of Africa.
2. Hispanic - A person of Spanish or Portuguese culture having origins in Mexico, South or Central America, or the Caribbean islands regardless of race.
3. Asian American – A person having origins in any of the original peoples of the Far East, Southeast Asia, Asia, Indian continent, or Pacific islands.
4. American Indian – A person having origins in any of the original Indian peoples of North America.
5. Female.
6. Disabled – A person with a disability as defined in N.C.G.S. § 168A-3.
7. Socially and Economically Disadvantaged – Per 15 U.S.C. 637, a person who has been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities. Economically disadvantaged individuals are those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged.

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<sup>1</sup> As used herein “public building contracts” includes both formal (costing \$300,000 and more) and informal (costing between \$30,000 and \$300,000) contracts.

HUBs include minority businesses.

*Bidder* means a person or an organized entity including, without limitation, a corporation, limited liability company, or partnership, submitting bids to be awarded a public building contract through a formal or informal competitive bidding process conducted in accordance with Article 8 of Chapter 143 of the North Carolina General Statutes.

*Certified HUB* means a HUB that has been certified, via a free-of-charge application process, by the HUB Office<sup>2</sup>.

*Contractor* means a person or an organized entity including, without limitation, a corporation, limited liability company, or partnership, seeking to contract with the Town on public building projects.

*HUB Office* means the North Carolina Department of Administration, Office of Historically Underutilized Business.

*Subcontractor* means a person or an organized entity including, without limitation, a corporation, limited liability company, or partnership, under contract with a contractor for supplying materials or performing services including construction and installation. A subcontractor may or may not provide materials.

### **3. HUB OUTREACH PLAN.**

**3.01.** The Town will implement the following outreach plan to encourage HUB participation in Formal Public Building Contracts<sup>3</sup>:

1. Develop, maintain, consistently update, and utilize a list identifying certified HUB entities which can perform public building projects.
2. Develop and implement, through education, recruitment, and interaction, outreach efforts encouraging HUB participation in public building projects.
3. Emphasize at pre-bid conferences and in bid documents, the importance of soliciting certified HUB firms for subcontracting opportunities on Formal Public Building Contracts and strongly encourage contractors to solicit bids for subcontracts from certified HUB entities.
4. Meet with contractors and provide detailed information about HUB-related bidding and good faith effort requirements.

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<sup>2</sup> Only certified HUBs count towards the Town's HUB 10% participation goal.

<sup>3</sup> For **informal** projects, the Town shall utilize the following good faith efforts: i) solicit HUB participation in such contracts; ii) document efforts to recruit HUB participation; iii) maintain a record of HUB contractors solicited; and iv) report all data on HUB participation efforts to the HUB office.

5. Build new and strengthen existing business relationships by networking and communicating with other North Carolina municipalities about their HUB recruitment efforts, determining the effectiveness of their outreach programs, and sharing “best practices” to improve HUB recruitment.
6. Post this HUB Outreach Program, links to the HUB Office, and notice of bidding and contracting opportunities on the Town’s website.
7. Utilize other appropriate media to inform HUB entities of bidding opportunities on public building projects.
8. Attend scheduled prebid conferences for upcoming bid solicitations.
9. At least 10 days before the scheduled date of a bid opening, notify HUB entities which have requested notices from the Town of Formal Public Building Projects and notice to certified HUB entities which have indicated to the HUB Office an interest in the type of work being bid or the potential contracting opportunities listed in the bid solicitation. The Town’s notice shall include the following:
  - A. A description of the work for which bids are being solicited,
  - B. The date, time, and location where bids are to be submitted,
  - C. The name and contact information for the person on behalf of the Town who will be available to answer questions about the project,
  - D. Where and how bid documents may be obtained or reviewed, and
  - E. Any applicable special requirements including, without limitation, any prequalification requirements.
10. Require bidders to make the good faith efforts set forth below which shall be demonstrated by a scoring system in the bid documents under which, per State rules, points will be awarded for undertaking each effort and specifying the minimum number of points required (not to exceed 50 points) for a bid to be considered responsive under the standard of award. A bidder’s good faith efforts include:
  - A. Contacting minority businesses which reasonably could have been expected to submit proposals and quotes and which were known to the contractor or available on State or local government-maintained lists at least 10 days before the bid opening date and notifying them of the nature and scope of the work to be performed.
  - B. Making construction plans, specifications, and requirements available for review by prospective HUB entities or providing these documents to them at least 10 days before the bid opening date.
  - C. Breaking down or combining elements of work into economically feasible units to facilitate participation by HUB entities.
  - D. Working with minority trade, community, or contractor organizations identified by the HUB Office which provide assistance in recruiting HUB entities.
  - E. Attending prebid meetings scheduled by the Town.
  - F. Providing assistance to HUB entities in obtaining required bonding or insurance or providing alternatives to bonding or insurance for subcontractors.

- G. Negotiating in good faith with interested HUB entities and not rejecting them as unqualified without sound reasons based on their capabilities. Any rejection of a HUB entity based on lack of qualifications should have the basis for the rejection documented in writing.
  - H. Assisting otherwise qualified HUB entities in need of equipment, loan capital, lines of credit, or joint pay agreements to secure loans, supplies, or letters of credit, including waiving credit that is ordinarily required. Assisting HUB entities in obtaining the same unit pricing with the bidder's suppliers to assist those entities in establishing credit.
  - I. When feasible, negotiating joint venture and partnership arrangements with HUB entities to increase opportunities for their participation in Formal Public Building Contracts.
  - J. Providing quick pay agreements and policies enabling HUB subcontractors and suppliers to meet cash-flow demands.
11. Each bidder shall identify on its bid the HUB entities it will use on the project and complete and execute the affidavit included in the bid package listing the good faith efforts it made pursuant to sub-subsections A-J above and the total dollar value of the bid that will be performed by HUB entities.

A contractor that performs all the work under a contract with its own workforce may submit an affidavit to that effect in lieu of the affidavit otherwise required under this subsection. The apparent lowest responsible, responsive bidder shall also file, within the time specified in the bid documents, either:

- A. An affidavit that includes a description of the portion of work to be performed by HUB entities expressed as a percentage of the total contract price, which is equal to or more than the Town's 10% participation goal. An affidavit under this sub-subdivision shall give rise to a presumption that the bidder has made the required good faith or efforts; or
  - B. Documentation of its good faith efforts to meet the 10% goal. The documentation must include evidence of all good faith efforts which were undertaken including any advertisements, solicitations, and evidence of other specific actions demonstrating recruitment and selection of HUB entities for participating in the contract.
12. Within 30 days after being awarded a contract, the contractor to which the contract was awarded shall file a list of all identified subcontractors that the contractor will use on the project.

The failure to file a required affidavit or documentation demonstrating that the contractor made the required good faith efforts shall be grounds for rejecting that bid.

#### **4. HUB CERTIFICATION.**

**4.01.** HUB entities may apply to the HUB office free of charge to become HUB certified.

**4.03.** Only certified HUB entities count towards the Town's 10% participation goal. However, the lack of HUB certification shall not be considered by the Town in awarding a contract.

**4.03.** HUB entities lacking certification may still submit bids.

## **5. REPORTING.**

**5.01. Informal Projects.** The Town shall, utilizing the HUBSCO Informal Project Report Form, report the following information to the HUB Office:

1. The type of contract,
2. The total dollar value of the project,
3. The dollar value of HUB participation in the project, and
4. Documentation of efforts to recruit HUB participation.

**5.02. Formal Projects.** The Town shall, utilizing the HUBSCO Formal Project Report Form, report the following information to the HUB Office:

1. The HUB percentage goal for the Project (10%),
2. The type and total dollar value of the project,
3. HUB utilization by:
  - A. HUB category,
  - B. Trade,
  - C. The total dollar value of contracts awarded to each HUB participating in the project,
  - D. The Town's HUB Outreach Program, and
  - E. Documentation of the bidder's good faith HUB participation efforts;
4. Utilization, as prime contractors and subcontractors, of HUBs in the project.