

Attachment D

Veteran Heroes United in Business (VetHUB) Participation

1. State of Texas Subcontracting Plan Requirements

In accordance with Texas Government Code [§2161.252](#), a proposal that does not contain an updated [Subcontracting Plan](#) is non-responsive and will be rejected without further evaluation. In addition, if the Department determines the Subcontracting Plan was not developed with a good-faith effort (GFE), it will reject the proposal for failing to comply with material specifications. Failure to submit complete Subcontracting Plan/GFE documentation may result in the Respondent being deemed nonresponsive.

2. Introduction

The Department is committed to promoting full and equal business opportunities for companies seeking to participate in state contracting. Companies must make a good-faith effort to increase participation by contracting directly with Veteran-Owned Businesses (VetHUBs) or indirectly through subcontracting opportunities.

3. Department Administrative Rules

The Department has adopted the CPA's VetHUB rules as its own. The Department's VetHUB rules are in the Texas Administrative Code, [Title 43, Part 1, Chapter 9, Subchapter L](#) and the CPA rules are in [Title 34, Part 1, Chapter 20, Subchapter D, Division 1](#). If there are any discrepancies between the Department's administrative rules and this solicitation, the rules must take priority.

4. Required State of Texas Subcontracting Plan

4.1. In accordance with Government Code, Chapter 2161, Subchapter F, each state agency that considers entering into a contract with an expected value of \$100,000 or more over the life of the contract (including any renewals) must, before the agency solicits bids, proposals, offers, or other applicable expressions of interest, determine whether subcontracting opportunities are probable under the contract.

- 4.2. In accordance with [34 T.A.C. §20.285\(a\),\(1\),\(C\)](#) of the VetHUB Rules, state agencies may determine that subcontracting is probable for only a subset of the work expected to be performed or the funds to be expended under the contract. If an agency determines that subcontracting is probable on only a portion of a contract, it must document its reasons in writing for the procurement file.
- 4.3. The Department has determined that subcontracting opportunities are probable for this solicitation. As a result, the respondent must submit a Subcontracting Plan with their proposal. The Subcontracting Plan is required whether a respondent intends to subcontract or not.
- 4.4. The Department must review the documentation submitted by the respondent to determine if a good-faith effort has been made in accordance with solicitation and Subcontracting Plan requirements. During the good-faith effort evaluation, The Department may, at its discretion, allow clarifications or enhancements to information submitted with the Subcontracting Plan.
- 4.5. If the Department determines the respondent's Subcontracting Plan was not developed in good faith, the Subcontracting Plan will be considered non-responsive and will be rejected as a material failure to comply with the advertised specifications. The reasons for rejection must be recorded in the procurement file.

5. CPA Centralized Master Bidders List

Respondents may search for VetHUB subcontractors in the CPA's [Centralized Master Bidders List \(CMBL\)/VetHUB Directory](#). For this procurement, the Department has identified the following class and item codes for potential subcontracting opportunities:

6. NIGP Class/Item Code: 953-45

Respondents are not required to use, nor limited to using, the class and item codes identified above, and may identify other areas for subcontracting. The Department does not endorse or recommend or attest to the capabilities of any

company or individual listed on the CPA's CMBL. The list of certified VetHUBS is subject to change, so respondents are encouraged to refer to the CMBL often to find the most current listing.

7. **Subcontracting Procedures – If a Respondent Intends to Subcontract**

The Subcontracting Plan must demonstrate that the respondent made a good-faith effort to comply with the current Department's policies. The following subparts outline the items the Department will review in determining whether a Subcontracting Plan meets the good-faith-effort standard. A respondent that intends to subcontract must complete the Subcontracting Plan to document its good-faith efforts.

8. **Identify Subcontracting Areas and Divide Them into Reasonable Lots**

A respondent should first identify each area of the contract work it intends to subcontract. Then, to maximize VetHUB subcontracting participation, it should divide the contract work into reasonable lots or portions, to the extent consistent with prudent industry practices.

9. **Notify Potential Subcontractors**

The Subcontracting Plan must demonstrate that the respondent made a good-faith effort to subcontract with VetHUBs that have an active certification. The respondents' good-faith efforts must be shown through use of all methods in conformance with the development and submission of the Subcontracting Plan and by complying with the following steps:

9.1. Divide the contract work into reasonable lots or portions to an extent consistent with prudent industry practices. The respondent must determine which portions of work, including goods and services, will be subcontracted.

9.2. Use the appropriate method(s) to demonstrate good-faith effort.

9.2.1. **Method 1 - Self Performance**

A Respondent who intends to perform 100% of the contract work with their own employees, equipment, and resources must submit the Self Performance Subcontracting Plan prescribed by the State.

The Self Performance Subcontracting Plan must:

- 9.2.1.1. Certify that the Respondent will not subcontract any portion of the work; and
- 9.2.1.2. Demonstrate the Respondent's capability to perform the entire Scope of Work.
- 9.2.2. The Respondent may be asked to provide self-performing justification.
- 9.2.3. A self-performing contractor may not use subcontractors without amending.
- 9.2.4. The Respondent must submit a change request and an updated Subcontracting Plan if they intend to subcontract at any time during the life of the contract.
- 9.2.5. When self-performing, the Respondent is still required to submit a Subcontracting Plan if the procurement category is one where subcontracting could reasonably occur.
- 9.2.6. **Method 2 - Good-faith Effort**

The respondent must submit a [Good-Faith-Effort Subcontracting Plan](#) and identify in the Subcontracting Plan and submit written documentation that one or more VetHUBs, with an active certification, will be used and that the aggregate expected percentage of subcontracts with VetHUBs will meet or exceed the goal specified in this solicitation. The respondent must:

 - 9.2.6.1. Identify each subcontracting opportunity within the Scope of Work.
 - 9.2.6.2. Notify a minimum of two certified VetHUB vendors for each subcontracting opportunity.
 - 9.2.6.3. Provide written notice to each VetHUB vendor that includes:
 - 9.2.6.3.1. A description of the subcontracting opportunity.

9.2.6.3.2. Relevant specifications or scope details; and

9.2.6.3.3. A deadline for response. For each VetHUB vendor, allow a minimum of seven business days to respond.

9.2.7. Maintain documentation of all outreach efforts, including:

9.2.7.1. Names and contact information of VetHUBs contacted.

9.2.7.2. Dates and methods of contact.

9.2.7.3. Copies of written notices.

9.2.7.4. Responses received or lack thereof.

9.2.8. When the aggregate expected percentage of subcontracts with VetHUBs meets or exceeds the goal specified in this solicitation, respondents may also use non-VetHUB subcontractors.

10. Written Justification of the Selection Process

10.1. The Department will decide if a good-faith effort was made by the respondent in the development of the required Subcontracting Plan. One of the methods listed in the previous sections may be applicable to the respondent's good-faith efforts in developing and submitting the Subcontracting Plan. The Department may require the respondent to submit additional documentation explaining how the respondent made a good-faith effort in accordance with the solicitation.

10.2. A respondent must provide written justification for its selection process if it chooses a non-VetHUB subcontractor. The justification should demonstrate that the respondent negotiated in good-faith with qualified VetHUB bidders, and did not reject qualified VetHUBs, with an active VetHUB certification, who were the best value responsive bidders.

11. Post-Award Subcontracting Plan Requirements

11.1. The Subcontracting Plan must be reviewed and evaluated prior to contract award and, if accepted, the finalized plan will become part of the contract with the successful respondent(s).

- 11.2. After contract award, the Department will coordinate a post-award meeting with the successful respondent to discuss Subcontracting Plan reporting requirements. The contractor must maintain business records documenting compliance with the Subcontracting Plan and must submit monthly subcontract reports to the Department by completing the "Prime Contractor Progress Assessment (PAR) Report" and "Subcontracting Plan Progress Compliance Form - 2579." The monthly PAR report is required as a condition for payment to report to the agency the identity and the amount paid to all subcontractors.
- 11.3. As a condition of award, the contractor is required to send notification to all selected subcontractors as identified in the accepted/approved Subcontracting Plan. In addition, a copy of the notification must be provided to the agency's Contract Manager and/or VethUB Program Office within 10 days of the contract award.
- 11.4. During the term of the contract, if the parties in the contract amend the contract to include a change to the Scope of Work or additional funding, the Department will evaluate to determine the probability of additional subcontracting opportunities. When applicable, the contractor must submit a Subcontracting Plan change request for the Department's review. The requirements for a Subcontracting Plan change request will be covered in the post-award meeting. When making a change to a Subcontracting Plan, the contractor will obtain prior written approval from the Department before making any changes to the Subcontracting Plan. Proposed changes must comply with the VethUB Program good-faith-effort requirements relating to the development and submission of a Subcontracting Plan. If the contractor decides to subcontract any part of the contract after the award, it must follow the good-faith-effort procedures.
- 11.5. Failure to meet the Subcontracting Plan and post-award requirements will constitute a breach of contract and will be subject to remedial actions. The Department may also report noncompliance with the CPA in accordance with the provisions of the Vendor Performance and Debarment Program (see [34](#)

[T.A.C. §20.585](#) relating to Debarment and [34 T.A.C. §20.586](#) relating to Procedures for Investigations and Debarment.

VetHUB Subcontracting Plan Compliance Checklist

Use this before submitting to ensure your plan will pass CIV review.

1. Subcontracting Opportunity Review

- ☐ You identified all subcontracting opportunities you will subcontract
- ☐ You assigned correct NIGP codes to subs
- ☐ You documented estimated percentages and/or dollar values
(both or one) *0% goal – requirements still apply on all solicitations
100K or more/probability for sub any subcontracting percentages/
dollar value are based on GFE*

2. VetHUB Directory Search

- ☐ You searched the CMBL and VetHUB Directory for each NIGP code
- ☐ You documented the search results
- ☐ If fewer than two VetHUBs exist, you documented that fact
*Attach as part of supporting documents/make sure to keep all
records of GFE Proof Screen shots, phone logs, e-mail, timestamp,
fax etc.*

3. Required Notifications

- ☐ You notified **at least two** VetHUB vendors **when available**
- ☐ You used the official Subcontracting Opportunity Notification Form
- ☐ You provided **7 full business days** to respond
- ☐ You kept proof of notification (email, timestamp, etc.)
*Attach as part of supporting documents to avoid review delay, agency may
request all supporting documents when not submitted*

4. Response Documentation

- ☐ You recorded all responses received
- ☐ You documented non-responses
- ☐ You provided justification for selection or non-selection

5. Selection Justification

- ☐ You selected subcontractors based on qualifications, capacity, cost, or past performance
- ☐ You clearly explained why any VetHUB responders were not selected
- ☐ You did **not** award work solely based on certification status

6. Final Review

- . ☐ All fields in the plan are complete
- . ☐ All dates are accurate
- . ☐ All NIGP codes match the subcontracting opportunities
- . ☐ The affirmation section is signed and dated
- . ☐ You understand that the Civil Rights (**CIV**) Division **team makes the final compliance determination**

If you request a cursory review from CIV, please ensure you allow both your team and CIV sufficient time to address any questions and make any necessary corrections before submission.

E-mail for Cursory Review civ_hub@txdot.gov Subject line: Cursory Review – Subcontracting Plan



State of Texas Subcontracting Plan

When is a subcontracting plan required?

A subcontracting plan is required for state of Texas contracts when the contracting agency has determined that subcontracting opportunities are probable with prospective vendors certified by the Texas Comptroller through the Veteran Heroes United in Business (VetHUB) program, for a contract with an expected value of \$100,000 or more. ([Texas Government Code Chapter 2161, Subchapter F](#); [34 Texas Administrative Code Section 20.285](#).)

When a state agency requires a subcontracting plan as part of the contract solicitation, a bid, proposal, offer or other applicable expression of interest must contain a completed plan to be considered responsive.

Who completes a subcontracting plan?

Every responding vendor — whether a prime contractor or self-performing with no subcontractors — must submit a complete subcontracting plan.

A vendor who intends to use subcontractors must demonstrate their good faith effort to recruit certified VetHUBs, whether or not they ultimately award business to them. *A state agency will not use the subcontractors' VetHUB status to select the winning vendor.* All subcontractors must be listed in the subcontracting plan.

A self-performing vendor who will not subcontract any of the work on the contract must indicate that it will complete the contract with its own resources and submit the completed subcontracting plan.

Does a subcontracting plan have to be followed?

The subcontracting plan forms part of the contract. Subcontractors may not be dropped or replaced without amending the subcontracting plan with approval by the agency. A self-performing contractor may not use subcontractors without amending the subcontracting plan.

SUBCONTRACTING PLAN INSTRUCTIONS

The contracting agency must complete this section and include this form in the solicitation.

Solicitation Number

Solicitation Title

Agency Number

Agency Name

AGENCY COORDINATOR FOR COURTESY SUBCONTRACTING PLAN REVIEWS (OPTIONAL)

Name

Email Address

Phone Number: (Point of Contact)

SOLICITATION POINT OF CONTACT

Name

Email Address

Phone Number: (Point of Contact)

The contracting agency must describe the subcontracting goal and provide examples of potential subcontracting opportunities. This information may also be included in the solicitation document.

Section 1: Respondent Information

Respondent (Company) Name

State of Texas Vendor ID Number

Point of Contact

Email Address

Phone Number

Is your company a state of Texas Certified VetHUB? ☐ Yes ☐ No

Requisition/Solicitation No.

Bid/Response Due Date (mm/dd/yyyy)

Section 2: Declaration of Self-performing or Subcontracting

After dividing the contract work into reasonable lots or portions to the extent consistent with prudent industry practices and taking into consideration the scope of work to be performed under the proposed contract, including all potential subcontracting opportunities, the respondent must determine what portions of work, including contracted staffing, goods and services will be subcontracted. 34 Texas Administrative Code Section 20.282 defines a "Subcontractor" as an entity that contracts with a prime contractor to work or contribute toward completing work under a purchase order or other contract. *The term does not include employees of the contractor but includes contracted workers who will work on the contract.*

Will your company fulfill the entire contract with its own resources, including employees, goods and services?

☐ Yes, my company will self-perform the entire contract.
Submit pages 1 and 2 only.

☐ No, my company will subcontract portions of the contract.
Go to Section 4: Respondent's Subcontracting Opportunities

Section 3: Affirmation of Self-performing Contractor

As evidenced by my signature below, I affirm that I am an authorized representative of the respondent listed in Section 1, and that the information and supporting documentation submitted with the subcontracting plan is true and correct. Respondent understands and agrees that, if awarded any portion of the contract:

- The respondent must seek approval from the contracting agency prior to making any modifications to its subcontracting plan, including hiring subcontractors to perform any work under this contract. If the subcontracting plan is modified without the contracting agency's prior approval, respondent may be subject to any and all enforcement remedies available under the contract or otherwise available by law, up to and including debarment from all state contracting.
- The respondent must, upon request, allow the contracting agency to perform on-site reviews of the company's headquarters and/or work site where services are being performed and must provide documentation regarding staffing and other resources.

**sign
here** ➡

Signature

Title

**print
here** ➡

Printed Name

Date (mm/dd/yyyy)

Section 4: Respondent's Subcontracting Opportunities

This section must be completed by all respondents who propose to subcontract portions of the contract work.

List below all opportunities (commodities, services or contractor staffing) you will subcontract. Also, based on the total value of the contract, provide the percentage of the contract you expect to subcontract to certified VetHUBs, and the percentage of the contract you expect to award to other subcontractors.

Search NIGP Code Book at <https://commbook.app.cpa.state.tx.us/>

Item Number	Subcontracting Opportunity Description	NIGP Code	VetHUB-certified subcontracted percentage of total contract	Other subcontracted percentage of total contract
1			%	%
2			%	%
3			%	%
4			%	%
5			%	%
6			%	%
7			%	%
8			%	%
9			%	%
10			%	%
11			%	%
12			%	%
13			%	%
14			%	%
15			%	%
16			%	%
17			%	%
18			%	%
19			%	%
20			%	%
21			%	%
22			%	%
23			%	%
24			%	%
25			%	%



Section 5: Subcontracting Plan – Good Faith Effort

Section 5.1: Subcontracting Opportunity

Submit a copy of Section 5 for each subcontracting opportunity you listed in Section 4. Download additional forms at <https://comptroller.texas.gov/purchasing/vendor/hub/forms.php>.

Enter the item number and description of the subcontracting opportunity you listed in Section 4.

Item Number	Subcontracting Opportunity

Section 5.2 Mentor Protégé Program

If respondent is participating as a mentor in a state of Texas Mentor Protégé Program, submitting a protégé (protégé must be a state of Texas certified VetHUB) as a subcontractor to perform the subcontracting opportunity listed in **Section 5.1** constitutes a good faith effort for that specific portion of work.

Check the appropriate box (Yes or No) that indicates whether you will be subcontracting the portion of work you listed in Section B-1 to your protégé.

☐ No. Go to Section 5.3: Notification of Subcontracting Opportunity.

☐ Yes. Go to Section 5.4: Subcontractor Selection.

Section 5.3 Notification of Subcontracting Opportunity

Demonstrate your good faith effort to notify Texas certified VetHUBs by communicating each subcontracting opportunity you listed in Section 4.

Search the [VetHUB Directory](#) by business category or NIGP code to identify appropriate VetHUBs that work in the area where you are seeking subcontractors. Certified VetHUBs can be sourced using the VetHUB-only search and will be marked with the Active Bidder (A-Approved) VetHUB status.

Send either the [Subcontracting Opportunity Notification template](#) or an email notice that includes at minimum:

- Scope of work
- Location to review plans and specifications (if applicable)
- Bonding and insurance requirements
- Required qualifications
- Name of state agency
- State agency's point of contact
- State agency point of contact's phone number
- Requisition/solicitation number
- Prime contractor's contact name
- Prime contractor's contact email
- Prime contractor's contact phone number
- Date response required; allow at least seven business days for response excluding weekends and state holidays.

Save copies of emails sent to VetHUBs and the responses received and attach to your subcontracting plan to document the good faith effort. A contract shall not be awarded to a prime contractor whose subcontracting plan good faith effort does not contain accurate supporting documentation.

List two VetHUBs you notified of the subcontracting opportunity listed in Section 5.3. Include the company's Texas Vendor Identification (VID) Number, the date of the notice and indicate whether the HUB responded.

Company Name	Texas VID (Do not enter Social Security Nos.)	Date Notice Sent (mm/dd/yyyy)	VetHUB Response
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No

Section 5.4 Subcontractor Selection

A copy of Section 5 must be completed for each subcontracting opportunity you listed in Section 4. Download additional forms at <https://comptroller.texas.gov/purchasing/vendor/hub/forms.php>.

Company Name	Certified VetHUB	Texas VID or Federal EIN (Do not enter Social Security Nos.)	Approximate Dollar Amount	Expected Percentage of Contract
	<input type="checkbox"/> Yes <input type="checkbox"/> No		\$	%
	<input type="checkbox"/> Yes <input type="checkbox"/> No		\$	%
	<input type="checkbox"/> Yes <input type="checkbox"/> No		\$	%
	<input type="checkbox"/> Yes <input type="checkbox"/> No		\$	%
	<input type="checkbox"/> Yes <input type="checkbox"/> No		\$	%
	<input type="checkbox"/> Yes <input type="checkbox"/> No		\$	%

Section 6: Affirmation of Prime Contractor

I am an authorized representative of the respondent listed in Section 1 ("Respondent"). I affirm that the information and supporting documentation submitted with this subcontracting plan is true and correct. Respondent understands and agrees that, if awarded a contract:

- Respondent will promptly notify all the subcontractors of their selection as a subcontractor for the contract. The notice must specify the contracting agency's name, point of contact for the contract, the contract award number, the subcontracting opportunity the subcontractor will perform and the value of the subcontract.
- Respondent must obtain approval from the contracting agency prior to modifying its subcontracting plan, including hiring subcontractors to perform any work under this contract.
- Respondent must submit progress assessment reports (PAR) with each invoice to the contracting agency. The PAR template is available on the [Comptroller's website](#).
- Respondent must, upon request, allow the contracting agency to perform on-site reviews of the company's headquarters and work site where services are being performed and provide documentation regarding staffing and other resources.

**sign
here** ➡

Signature

Title

**print
here** ➡

Printed Name

Date (mm/dd/yyyy)



Subcontracting Opportunity Notification Form

If your business is interested in bidding on the subcontracting opportunity identified in Section C, please reply by the date listed.

Section A: Prime Contractor's Information

Company Name

Point of Contact

Email Address

Phone Number

Section B: Contracting State Agency Information

Agency Name

Solicitation No.

Section C: Due Date and Description

Subcontracting Opportunity

Time and Date Response Due (minimum seven business days):

Time _____ ☐ a.m. ☐ p.m. on Date (mm/dd/yyyy) _____

Subcontracting Opportunity Scope of Work:

☐ Not Applicable

Required Qualifications:

☐ Not Applicable

Bonding and insurance requirements:

☐ Not Applicable

Other contract requirements:

☐ Not Applicable

Location to review plans/specifications:

☐ Not Applicable