

HUB Certification Essentials

What is the background?

Businesses owned by individuals deemed to be historically disadvantaged have faced challenges, past and present, accessing capital and navigating industry social structures. This hinders their ability to compete in the procurement market, which is the process intended to promote fair and open competition for public sector business while minimizing risk, such as exposure to fraud and collusion. Even in North Carolina regions with large proportions of non-white residents, public contracts are going to firms owned by women and/or people of color at abysmal rates.

What is a Historically Underutilized Business (HUB)?

In North Carolina, a HUB is a disadvantaged business enterprise which has been certified and is currently participating in the Statewide Uniform Certification Program. The HUB Office works to promote economic opportunities for HUBs in state government contracting and procurement that will foster their growth and profitability, with an aspirational goal of at least 10 percent of all state government contracts being awarded to HUB firms.

A HUB is at least 51 percent owned by one or more minority persons or socially and economically disadvantaged individuals. The term “minority person” means a person who is Black, Hispanic, Asian American, American Indian, and/or female.

What are the advantages for North Carolina?

- **Expanding opportunity:** Expanding HUB certification to enterprises owned by people of color and women will position more of them to become increasingly competitive in the procurement process with public sector institutions.
- **Keeping it local:** Increasing the participation of HUB eligible enterprises in public sector contracting opportunities will diversify and strengthen local economies. In communities of color, HUBs are more likely to offer their neighbors direct access to employment. Employing a local workforce will ensure that new dollars will circulate within these often economically isolated locales.
- **Building community:** Successful HUBs not only infuse jobs and dollars into communities of color, they provide employees, apprentices and interns the opportunity to learn how owning a business can transform lives. The experience of learning the practical and technical aspects of running a business can have a transformative impact on an individual, their family and an entire community.

Questions to Ask your Local Leaders about Connecting More Businesses to Public Contracts

1. How many businesses are owned by people of color and/or women in this city/ county? How many are certified as Historically Underutilized Businesses?
2. Are you aware of the aspirational goal of 10 percent of all state contracts being awarded to Historically Underutilized Businesses?
3. What percentage of public contracts were awarded to HUBs by your public entity last year (school system, county government, municipal government, community college, etc.)?
4. Can you plainly explain to me the process of securing a public contract with this public entity?
5. What could be done to make more opportunities available to more businesses?
6. How can I work with you to address this issue?

Find more information at www.ncjustice.org/HUBs, or contact William Munn at will@ncjustice.org

