

**TEXAS PUBLIC FINANCE AUTHORITY
UNDERWRITING POLICIES FOR COMPETITIVE BOND SALES**

1. HUBs, MBEs, and WBEs as defined below, are encouraged to respond to invitations to bid for competitive bond sales. The Authority is committed to making a good faith effort to achieve 33% HUB participation in each competitive bond sale. All bidders are required to make a good faith effort consistent with the Authority's goal. Bidders will be presumed to have made a good faith effort by taking the following actions:

a. Invite HUBs to participate in the syndicate. A list of HUBs may be obtained from the Texas *To Search for a HUB vendor go to the Comptroller's website at:*

<http://www.cpa.state.tx.us/procurement/cmb/cmbhub.html>

Once at the site, use the following Class Code and Item Codes to locate potential HUB firms that provide Underwriting Services.

Class: 946 FINANCIAL SERVICES

Item: 48 Financial Advisor

Item: 56 Investment Management Services

b. If a bidder is unable to meet the 33 percent goal by using HUBs, they may further demonstrate a good faith effort by inviting MBEs, WBEs, or both, to participate in the syndicate.

2. Bidders may be required to document their good faith efforts. The Authority may choose to require this documentation as part of the bid form.

3. Bidders will be required to certify on the bid form that they are aware of the Authority's participation goals for HUBs. For example, The Bidder certifies to all of the following:

- a. Bidder is aware of the Authority's goals for participation by Historically Underutilized Businesses.
- b. Bidder has made a good faith effort to comply with the Authority's goals by inviting the following firms to participate in the syndicate:

Name of Firm	Date Contacted	Time Contacted	Accepted Yes/No

4. The initial purchaser will be required to file with the Authority, within a time specified on the bid form, a post-sale disclosure report that provides a list of participating underwriters, the amount of bonds allocated to and sold by each participating underwriter, syndicate profits and losses, and any HUB, MBE, or WBE participation, as well as any other information that may be required from time to time by the Authority or other debt oversight agencies.

5. Bidders are required to make a good faith effort to include HUB participation, however, this does not mean that bidders are required to form a bidding syndicate. A bidder may submit a solo bid.

6. Definitions

HUB: a Historically Underutilized Business as defined in Texas Government Code §2161.001 and 34 TAC §20.12 and so certified by the Texas Comptroller of Public Accounts.

Minority-owned Business Enterprise (MBE): (1) a corporation formed for the purpose of making a profit in which 51% or more of all classes of stock or other equitable securities are owned by Black, Hispanic, Asian, or Native Americans; (2) a sole proprietorship created for the purpose of making a profit completely owned by a Black, Hispanic, Asian, or Native American; or (3) a partnership formed for the purpose of making a profit in which 51% or more of the assets and interests in the partnership are owned by Black, Hispanic, Asian, or Native Americans.

Woman-owned Business Enterprise (WBE): (1) a corporation formed for the purpose of making a profit in which 51% or more of all classes of stock or other equitable securities are owned by one or more women; (2) a sole proprietorship formed for the purpose of making a profit completely owned by a woman; or (3) a partnership formed for the purpose of making a profit in which 51% or more of the assets and interests in the partnership are owned by one or more women.