

# Executive Summary

The Statewide Historically Underutilized Business (HUB) Program exists within the Statewide Procurement Division of the Texas Comptroller of Public Accounts. The program certifies small businesses that are minority-, woman- or service-disabled veteran-owned (with at least a 20 percent service disability) in an effort to increase their competitive bid participation and award opportunities to meet or exceed the established statewide HUB goals.

Texas had 15,380 certified HUBs during the first six months of fiscal 2021. Almost 20 percent of HUBs participated in state contracts, either as prime contractors or subcontractors, collectively receiving 8.34 percent of all statewide expenditures.

State purchasers must search the Centralized Master Bidders List (CMBL) and include HUBs in vendor notifications when buying goods and services valued at \$5,000 or more. Vendors are contacted directly by mail, email or telephone with bid invitations. At the end of the first half of fiscal 2021, 3,794 of the state's certified HUBs were registered with the CMBL.

The state's overall spending through term contract purchases during the first half of fiscal 2021 totaled \$176.6 million, a decrease of \$95 million compared to the same period in the previous year. However, the total percentage of dollars spent with HUBs within the term contract purchases increased by 0.11 percent. HUBs received \$2,405,666 through term contracts. The primary reason for the reduction in term contract expenditures was the legislative transfer of highway material contracting authority from the Comptroller to the Texas Department of Transportation.

The state's overall spending through group purchases for the first half of fiscal 2021 increased by an estimated \$27 million from the same period in the previous year; total group purchasing dollars spent with HUBs increased by 1.04 percent.

This report summarizes current HUB status and spending trends.

## Total Statewide Expenditures

The state's total spending in the first six months of fiscal 2021 increased by more than \$4.5 billion, compared to the previous fiscal year's increase of \$1.8 billion during the same period. The share of statewide expenditures to HUBs decreased by 3.88 percent in 2021, compared to a 0.4 percent decrease in 2020.

Fiscal Year	Total Statewide Expenditures	Total HUB Expenditures	HUB Share
Fiscal 2021 – Semi-annual	\$16,209,583,622	\$1,352,588,548	8.34%
Fiscal 2020 – Semi-annual	\$11,673,226,116	\$1,422,282,185	12.18%
Fiscal 2019 – Semi-annual	\$9,837,113,880	\$1,238,316,639	12.59%

## Who Owns Texas HUBs

Eligible HUB Groups	Fiscal 2021 – Semi-annual			Fiscal 2020 – Semi-annual		
	Number of Certified HUBs	Males	Females	Number of Certified HUBs	Males	Females
Asian-Pacific American	1,288	842	446	1,187	791	396
Black American	3,831	2,156	1,675	3,474	2,000	1,474
Hispanic American	4,814	3,334	1,480	4,615	3,237	1,378
Native American	266	191	75	248	279	69
Woman*	4,954	0	4,954	5,012	0	5,012
Service-disabled Veteran**	227	227	0	205	205	0
<b>TOTAL</b>	<b>15,380</b>	<b>6,750</b>	<b>8,630</b>	<b>14,741</b>	<b>6,412</b>	<b>8,329</b>

\*The "Woman" category does not include women who are Service-Disabled Veterans or of Asian Pacific American, Black American, Hispanic American and Native American ethnicities.

\*\*The "Service-Disabled Veteran" category does not include women or individuals of Asian Pacific American, Black American, Hispanic American and Native American ethnicities.

Source: Texas Comptroller of Public Accounts.

## Expenditures with HUB Groups

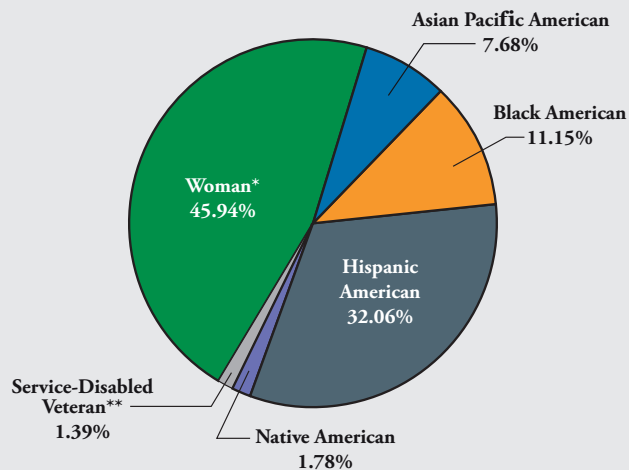
In analyzing the expenditures with HUB groups, in the first half of fiscal 2021 compared to the first half of fiscal 2020, state spending with HUBs increased for Asian Pacific Americans and increased for service-disabled veterans. However, the percentage increase was minimal based on total state spending increases; expenditures decreased for the other four HUB categories. The overall awards to HUBs declined by 4.9 percent (approximately \$69.6 million).

The subcontracting totals within business categories for the first half of fiscal 2021 compared to first half of fiscal 2020 decreased in all categories except professional services and other services.

Eligible HUB Groups	Fiscal 2021 – Semi-annual		Fiscal 2020 – Semi-annual	
	Number of Awards	Total HUB Expenditures	Number of Awards	Total HUB Expenditures
Asian-Pacific American	233	\$190,345,208	239	\$179,615,414
Black American	338	\$124,531,804	398	\$163,519,964
Hispanic American	972	\$458,253,125	1,036	\$468,394,282
Native American	54	\$19,764,160	68	\$22,921,245
Woman*	1,393	\$550,852,591	1,585	\$581,816,169
Service-disabled Veteran**	42	\$8,841,657	29	\$6,015,108
<b>TOTAL</b>	<b>3,032</b>	<b>\$1,352,588,548</b>	<b>3,355</b>	<b>\$1,422,282,182</b>

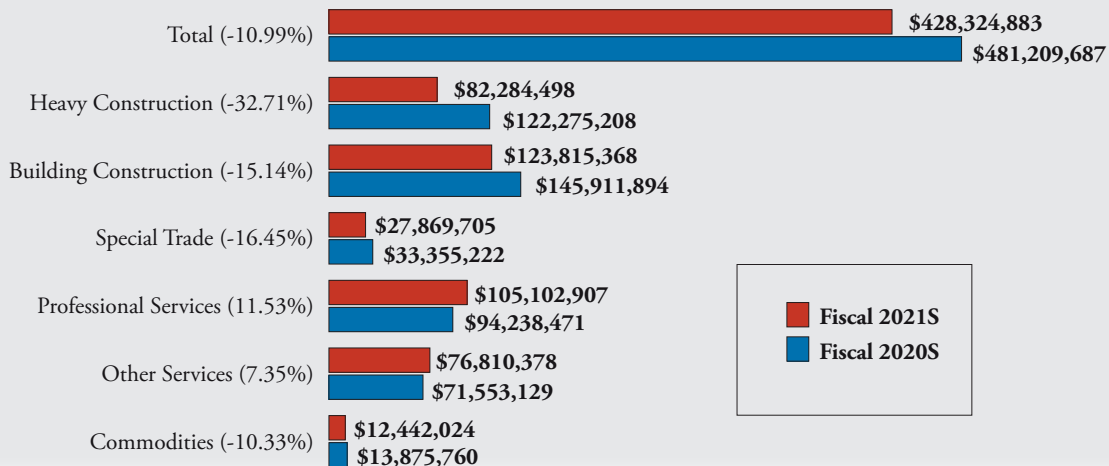
### Who Receives HUB Expenditures?

For the first six months of fiscal 2021, businesses owned by Anglo American women received 45.94 percent of the state's HUB awards. Hispanic American-owned businesses came in second at 32.06 percent. The awards to service-disabled vendors went up by almost 50 percent. Total dollars spent with HUBs declined an estimated \$69.6 million compared to the first six months of fiscal 2020.



### Subcontracting

The following chart compares subcontracting spending with HUBs for the first six months of fiscal 2021 and 2020.



Note: The number of awards reflected in the table above are those made to vendor ID numbers eligible for HUB credit. Similarly, the percentages reflected in the pie chart above are based on the number of vendor ID numbers eligible for HUB credit.

\* The "Woman" category does not include women who are service-disabled veterans or of Asian-Pacific American, Black American, Hispanic American or Native American ethnicities.

\*\* The "Service-disabled Veteran" category does not include women or individuals who are of Asian-Pacific American, Black American, Hispanic American and Native American ethnicities.

Source: Texas Comptroller of Public Accounts

## Business Categories

In comparing the first half of fiscal 2021 to the first half of fiscal 2020, state spending with HUBs increased for professional services, other services and commodities, and decreased in the other purchasing categories.

### Fiscal 2021 – Semi-annual\*\*\*

Category	HUB Goals*	Total Expenditures	Total HUB Expenditures	HUB Share
Heavy Construction	11.20%	\$4,188,103,413	\$155,875,244	3.72%
Building Construction	21.10%	\$1,011,022,634	\$166,845,765	16.50%
Special Trades	32.90%	\$407,732,739	\$88,216,779	21.64%
Professional Services	23.70%	\$769,196,307	\$204,562,752	26.59%
Other Services	26.00%	\$6,664,166,280	\$448,184,311	6.73%
Commodities	21.10%	\$3,169,362,246	\$288,903,694	9.12%
<b>TOTAL**</b>		<b>\$16,209,583,622</b>	<b>\$1,352,588,548</b>	<b>8.34%</b>

Fiscal 2020 Semi-annual Statewide HUB Subcontracting Expenditures: \$428,324,883

### Fiscal 2020 – Semi-annual\*\*\*

Category	HUB Goals*	Total Expenditures	Total HUB Expenditures	HUB Share
Heavy Construction	11.20%	\$3,871,300,290	\$204,863,551	5.29%
Building Construction	21.10%	\$1,104,269,679	\$200,701,889	18.18%
Special Trades	32.90%	\$454,669,364	\$102,502,328	22.54%
Professional Services	23.70%	\$637,332,869	\$189,805,318	29.78%
Other Services	26.00%	\$2,556,667,445	\$372,866,693	14.58%
Commodities	21.10%	\$3,048,986,466	\$351,542,402	11.53%
<b>TOTAL**</b>		<b>\$11,673,226,116</b>	<b>\$1,422,282,184</b>	<b>12.18%</b>

Fiscal 2019 Semi-annual Statewide HUB Subcontracting Expenditures: \$481,209,687

### Fiscal 2020

Category	HUB Goals*	Total Expenditures	Total HUB Expenditures	HUB Share
Heavy Construction	11.20%	\$8,387,877,123	\$445,096,593	5.31%
Building Construction	21.10%	\$2,134,748,131	\$408,586,692	19.14%
Special Trades	32.90%	\$931,750,334	\$198,816,776	21.34%
Professional Services	23.70%	\$1,348,986,108	\$398,169,678	29.52%
Other Services	26.00%	\$5,647,165,037	\$782,883,456	13.86%
Commodities	21.10%	\$6,590,294,890	\$707,403,161	10.73%
<b>TOTAL**</b>		<b>\$25,040,821,623</b>	<b>\$2,940,956,356</b>	<b>11.74%</b>

Fiscal 2020 Annual Statewide HUB Subcontracting Expenditures: \$1,043,548,801

### Fiscal 2019

Category	HUB Goals*	Total Expenditures	Total HUB Expenditures	HUB Share
Heavy Construction	11.20%	\$6,472,170,520	\$390,877,742	6.04%
Building Construction	21.10%	\$2,481,473,373	\$451,147,184	18.18%
Special Trades	32.90%	\$866,662,229	\$198,085,333	22.86%
Professional Services	23.70%	\$1,271,742,338	\$362,971,229	28.54%
Other Services	26.00%	\$4,555,348,858	\$653,776,939	14.35%
Commodities	21.10%	\$5,376,314,397	\$627,575,758	11.67%
<b>TOTAL**</b>		<b>\$21,023,711,787</b>	<b>\$2,684,434,187</b>	<b>12.77%</b>

Fiscal 2019 Annual Statewide HUB Subcontracting Expenditures: \$982,194,633

\* For HUB reporting purposes, expenditures with all HUBs certified at any time during the current fiscal year are counted toward annual HUB procurement usage goals.

\*\* Slight differences in some totals are due to rounding.

\*\*\* Total for first six months of fiscal year.

Source: Texas Comptroller of Public Accounts

## Spending on Statewide Term Contracts

Term contracts are developed to consolidate the needs of multiple agencies, providing a simpler purchasing process for commonly used items and yielding lower prices through higher-volume purchases.

During the first six months of fiscal 2021, \$94.7 million less was spent through term contracts as compared to the first half of fiscal 2020, largely due to legislative transfer of highway material contracting authority to the Texas Department of Transportation. Overall, total state spending with HUBs in term contract expenditures increased to 1.36 percent.

### Fiscal 2021 – Semi-annual\*\*\*

Term Contracts	HUB Goals*	Total Spending	Total HUB Spending	HUB Share
Heavy Construction	11.20%	\$0	\$0	0.00%
Building Construction	21.10%	\$963,438	\$0	0.00%
Special Trades	32.90%	\$154,677	\$255	0.16%
Professional Services	23.70%	\$665,943	\$0	0.00%
Other Services	26.00%	\$7,280,887	\$163,334	2.24%
Commodities	21.10%	\$167,535,987	\$2,242,077	1.34%
<b>TOTAL**</b>		<b>176,600,932</b>	<b>\$2,405,666</b>	<b>1.36%</b>

### Fiscal 2020 – Semi-annual\*\*\*

Term Contracts	HUB Goals*	Total Spending	Total HUB Spending	HUB Share
Heavy Construction	11.20%	\$2,505	\$0	0.00%
Building Construction	21.10%	\$396,673	\$0	0.00%
Special Trades	32.90%	\$54,086	\$779	1.44%
Professional Services	23.70%	\$976,148	\$6,222	0.64%
Other Services	26.00%	\$12,936,217	\$253,916	1.96%
Commodities	21.10%	\$257,002,846	\$3,130,157	1.22%
<b>TOTAL**</b>		<b>\$271,368,475</b>	<b>\$3,391,074</b>	<b>1.25%</b>

### Fiscal 2020

Term Contracts	HUB Goals*	Total Spending	Total HUB Spending	HUB Share
Heavy Construction	11.20%	\$20,704	\$0	0.00%
Building Construction	21.10%	\$1,816,205	\$0	0.00%
Special Trades	32.90%	\$546,995	\$1,583	0.29%
Professional Services	23.70%	\$1,947,468	\$1,216	0.06%
Other Services	26.00%	\$21,494,496	\$400,302	1.86%
Commodities	21.10%	\$559,463,779	\$6,284,394	1.12%
<b>TOTAL**</b>		<b>\$585,289,647</b>	<b>\$6,687,495</b>	<b>1.14%</b>

### Fiscal 2019

Term Contracts	HUB Goals*	Total Spending	Total HUB Spending	HUB Share
Heavy Construction	11.20%	\$4,491	\$0	0.00%
Building Construction	21.10%	\$98,910	\$38,665	39.09%
Special Trades	32.90%	\$222,549	\$7,212	3.24%
Professional Services	23.70%	\$1,954,694	\$19,082	0.98%
Other Services	26.00%	\$23,387,670	\$575,466	2.46%
Commodities	21.10%	\$546,922,375	\$6,616,175	1.21%
<b>TOTAL**</b>		<b>\$572,590,689</b>	<b>\$7,256,600</b>	<b>1.27%</b>

\* For HUB reporting purposes, expenditures with all HUBs certified at any time during the current fiscal year are counted toward annual HUB procurement usage goals.

\*\* Slight differences in some totals are due to rounding.

\*\*\* Total for first six months of fiscal year.

Source: Texas Comptroller of Public Accounts

## Spending on Statewide Group Purchasing

Group purchasing allows institutions of higher education to coordinate purchases to maximize their purchasing power.

During the first half of fiscal 2021, the statewide group purchases rose by approximately \$26.9 million compared to the first half of fiscal 2020. Total state expenditures with HUBs in group purchasing increased by 4.18 percent (approximately \$1.7 million).

### Fiscal 2021 – Semi-annual\*\*\*

Group Purchasing	HUB Goals*	Total Spending	Total HUB Spending	HUB Share
Heavy Construction	11.20%	\$ 6,714	\$ 0	0.00%
Building Construction	21.10%	\$ 4,737,378	\$ 229,887	4.85%
Special Trades	32.90%	\$11,138,076	\$2,141,437	19.23%
Professional Services	23.70%	\$ 3,389,901	\$1,544,483	45.56%
Other Services	26.00%	\$34,997,544	\$10,012,142	28.61%
Commodities	21.10%	\$140,088,243	\$28,584,342	20.40%
<b>TOTAL**</b>		<b>\$194,357,856</b>	<b>\$42,512,291</b>	<b>21.87%</b>

### Fiscal 2020 – Semi-annual\*\*\*

Group Purchasing	HUB Goals*	Total Spending	Total HUB Spending	HUB Share
Heavy Construction	11.20%	\$ 0	\$ 0	0.00%
Building Construction	21.10%	\$ 4,150,626	\$1736,452	41.84%
Special Trades	32.90%	\$ 8,257,012	\$1,496,676	18.13%
Professional Services	23.70%	\$ 2,501,388	\$ 190,366	7.61%
Other Services	26.00%	\$37,942,124	\$5,587,563	14.73%
Commodities	21.10%	\$114,546,111	\$31,795,116	27.76%
<b>TOTAL**</b>		<b>\$167,397,261</b>	<b>\$40,806,173</b>	<b>24.38%</b>

### Fiscal 2020

Group Purchasing	HUB Goals*	Total Spending	Total HUB Spending	HUB Share
Heavy Construction	11.20%	\$ 0	\$ 0	0.00%
Building Construction	21.10%	\$10,312,127	\$3,433,334	33.28%
Special Trades	32.90%	\$13,435,589	\$3,786,365	28.18%
Professional Services	23.70%	\$ 3,502,414	\$211,742	6.05%
Other Services	26.00%	\$66,057,893	\$10,557,883	15.98%
Commodities	21.10%	\$227,203,968	\$67,080,234	29.52%
<b>TOTAL**</b>		<b>\$320,511,991</b>	<b>\$85,069,558</b>	<b>26.54%</b>

### Fiscal 2019

Group Purchasing	HUB Goals*	Total Spending	Total HUB Spending	HUB Share
Heavy Construction	11.20%	\$ 0	\$ 0	0.00%
Building Construction	21.10%	\$16,066,445	\$9,538,623	59.37%
Special Trades	32.90%	\$52,669,878	\$3,475,137	6.60%
Professional Services	23.70%	\$17,098,064	\$ 361,075	2.11%
Other Services	26.00%	\$36,178,790	\$3,542,614	9.79%
Commodities	21.10%	\$208,516,589	\$63,946,751	30.67%
<b>TOTAL**</b>		<b>\$330,529,766</b>	<b>\$80,864,200</b>	<b>24.47%</b>

\* For HUB reporting purposes, expenditures with all HUBs certified at any time during the current fiscal year are counted toward annual HUB procurement usage goals.

\*\* Slight differences in some totals are due to rounding.

\*\*\* Total for first six months of fiscal year.

Source: Texas Comptroller of Public Accounts

State agencies and higher education institutions are responsible for the accuracy of their self-reported data and are required to confirm that they have reported correct information to the Comptroller's Statewide Procurement Division before the division finalizes the state's semi-annual and annual HUB reports.