

EXECUTIVE SUMMARY

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

Texas had 15,429 certified HUBs during the first six months of fiscal 2022. Almost 20 percent of HUBs participated in state contracts as prime contractors or subcontractors, collectively receiving 11.5 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 with a value of \$10,000 or more. Vendors are contacted directly by mail, email or telephone with invitations for bids. At the end of the first half of fiscal 2022, 3,190 (or 32.8 percent) 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 2022 totaled \$148,029,868, a decrease in total expenditures of \$28.6 million compared to the same period of the previous year, however, the total percentage of dollars spent with HUBs increased by an estimated \$1.3 million in fiscal 2022 with HUBs receiving \$3,734,937 through term contracts.

The state's overall spending through group purchases for the first half of fiscal 2022 increased 7 percent by almost \$13.6 million from the same period in the previous year, the total group-purchasing dollars spent with HUBs increased by 30.9 percent to \$55.7 million.

This report summarizes current HUB status and spending trends.

TOTAL STATEWIDE EXPENDITURES

The state's total spending in the first six months of fiscal 2022 decreased by an estimated \$1.6 billion compared with the previous fiscal year's increase of \$4.5 billion during the same period, while the share of statewide expenditures to HUB increased by 19.5 percent in 2022 as compared to the 2021 decrease of 3.9 percent.

FISCAL YEAR	TOTAL STATEWIDE EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Fiscal 2022, Semi-Annual	\$14,620,241,189	\$1,616,211,160	11.05%
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%

WHO OWNS TEXAS HUBS

ELIGIBLE HUB GROUPS	FISCAL 2022, SEMI-ANNUAL			FISCAL 2021, SEMI-ANNUAL		
	Number of Certified HUBs	Males	Females	Number of Certified HUBs	Males	Females
Asian Pacific American	1,286	843	443	1,288	842	446
Black American	4,105	2,220	1,885	3,831	2,156	1,675
Hispanic American	4,846	3,297	1,549	4,814	3,334	1,480
Native American	262	184	78	266	191	75
Woman*	4,681	0	4,681	4,954	0	4,954
Service-Disabled Veteran**	282	280	2	227	227	0
TOTAL	15,462	6,824	8,638	15,380	6,750	8,630

*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 individuals of Asian Pacific American, Black American, Hispanic American and Native American ethnicities.

Source: Texas Comptroller of Public Accounts.

EXPENDITURES WITH HUB GROUPS

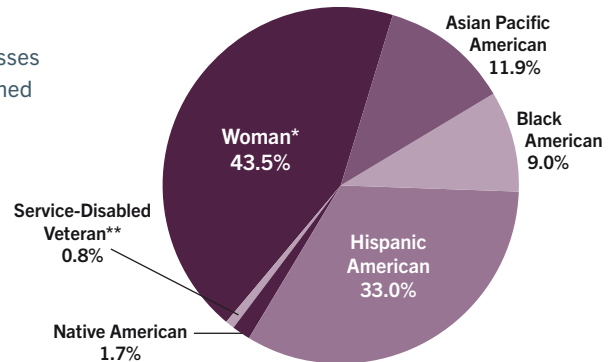
In analyzing the expenditures with HUB groups, in the first half of fiscal 2022 as compared to the first half of fiscal 2021, state awards with HUBs increased for all HUB certification groups except for Asian-Pacific Americans, who remained equal in the number of contract awards as in the previous year. However, the total expenditures with HUBs increased by 19.5 percent or \$263,622,610.

The subcontracting totals within business categories for the first half of fiscal 2022 compared to first half of fiscal 2021 increased year over year by 22.2 percent in all categories except for special trade, which decreased by 15 percent, and commodities, which decreased by 30.5 percent.

ELIGIBLE HUB GROUPS	FISCAL 2022, SEMI-ANNUAL		FISCAL 2021, SEMI-ANNUAL	
	Number of Awards	Total HUB Expenditure	Number of Awards	Total HUB Expenditure
Asian Pacific American	233	\$191,808,496	233	\$190,345,208
Black American	349	\$145,930,115	338	\$124,531,804
Hispanic American	980	\$534,030,712	972	\$458,253,125
Native American	55	\$28,107,698	54	\$19,764,160
Woman*	1,396	\$703,437,815	1,393	\$550,852,591
Service-Disabled Veteran**	56	\$12,896,321	42	\$8,841,657
TOTAL	3,069	\$1,616,211,160	3,032	\$1,352,588,548

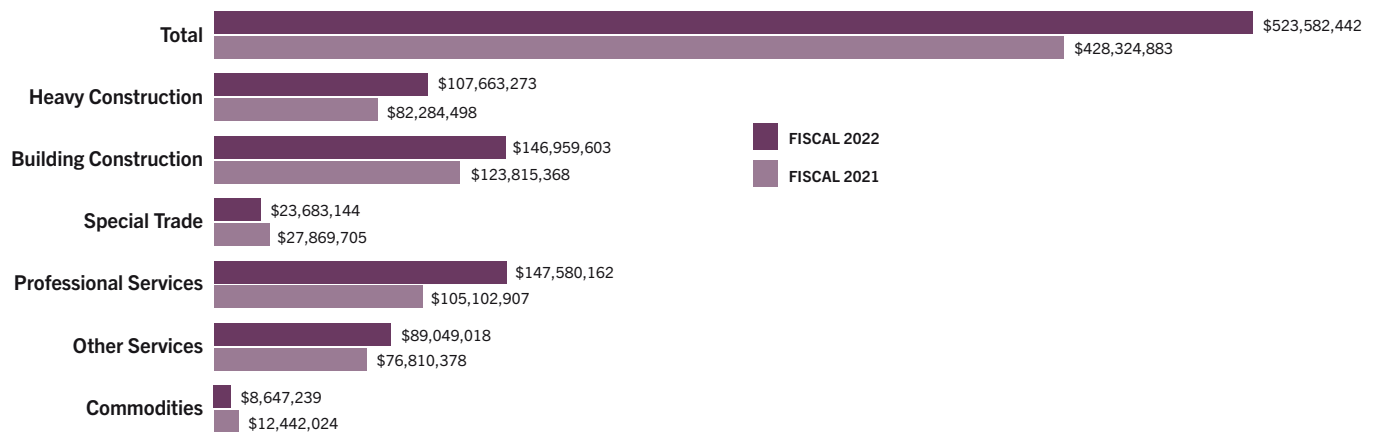
WHO RECEIVES HUB EXPENDITURES?

For the first six months of fiscal 2022, Anglo-American women-owned businesses received 43.5 percent of the state HUB expenditures. Hispanic American-owned businesses came in second at 33 percent. The awards to service-disabled vendors went up by more than \$4 million. Total dollars spent with HUBs increased by 19.5 percent or \$264 million compared to the first six months for fiscal 2021 compared with the previous year.



SUBCONTRACTING

The chart below compares subcontracting spending with HUBs for the first six months of fiscal 2022 and 2021.



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 and Native American ethnicities.

**The "Service-Disabled Veteran" category does not include 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 2022 to the first half of fiscal 2021, state spending with HUBs increased in all purchasing categories.

Fiscal 2022 – Semi-Annual***

CATEGORY	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$3,684,035,538	\$192,397,460	5.22%
Building Construction	21.10%	\$1,004,191,882	\$195,567,895	19.48%
Special Trade	32.90%	\$452,033,520	\$105,458,656	23.33%
Professional Services	23.70%	\$577,698,058	\$210,334,718	36.41%
Other Services	26.00%	\$5,575,469,493	\$527,955,554	9.47%
Commodities	21.10%	\$3,326,812,695	\$384,496,874	11.56%
TOTAL**		\$14,620,241,189	\$1,616,211,160	11.05%

Fiscal 2022 Semi-Annual Statewide HUB Subcontracting Expenditures: \$523,582,442

Fiscal 2021 – Semi-Annual***

CATEGORY	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
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 Trade	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%
TOTAL**		\$16,209,583,622	\$1,352,588,548	8.34%

Fiscal 2021 Semi-Annual Statewide HUB Subcontracting Expenditures: \$428,324,883

Fiscal 2021 Annual

CATEGORY	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$8,262,891,924	\$408,285,164	4.94%
Building Construction	21.10%	\$2,207,477,333	\$382,936,952	17.35%
Special Trade	32.90%	\$830,442,939	\$176,792,851	21.29%
Professional Services	23.70%	\$1,493,963,405	\$607,327,242	40.65%
Other Services	26.00%	\$12,555,230,560	\$946,428,357	7.54%
Commodities	21.10%	\$6,413,926,969	\$637,711,575	9.94%
TOTAL**		\$31,763,933,130	\$3,159,482,141	9.95%

Fiscal 2021 Annual Statewide HUB Subcontracting Expenditures: \$1,318,189,933

Fiscal 2020 Annual

CATEGORY	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
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 Trade	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%
TOTAL**		\$25,040,821,623	\$2,940,956,356	11.74%

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

* 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 2022, \$28.6 million less was spent through term contracts as compared to the first half of fiscal 2021. Overall, the total state spending with HUBs in term contract expenditures increased by \$1.3 million or 55.3 percent.

Fiscal 2022 – Semi-Annual***

TERM CONTRACTS	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$56,341	\$0	0%
Building Construction	21.10%	\$784,327	\$342,573	43.68%
Special Trade	32.90%	\$74,791	\$4,025	5.38%
Professional Services	23.70%	\$920,921	\$3,058	0.33%
Other Services	26.00%	\$9,810,053	\$354,188	3.61%
Commodities	21.10%	\$136,383,435	\$3,031,093	2.22%
TOTAL**		\$148,029,868	\$3,734,937	2.52%

Fiscal 2021 – Semi-Annual***

TERM CONTRACTS	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$0	\$0	0%
Building Construction	21.10%	\$963,438	\$0	0%
Special Trade	32.90%	\$154,677	\$255	0.16%
Professional Services	23.70%	\$665,943	\$0	0%
Other Services	26.00%	\$7,280,887	\$163,334	2.24%
Commodities	21.10%	\$167,535,987	\$2,242,077	1.34%
TOTAL**		\$176,600,932	\$2,405,666	1.36%

Fiscal 2021 Annual

TERM CONTRACTS	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$0	\$0	0%
Building Construction	21.10%	\$1,977,674	\$84,600	4.28%
Special Trade	32.90%	\$436,935	\$705	0.16%
Professional Services	23.70%	\$1,451,623	\$0	0%
Other Services	26.00%	\$14,900,689	\$273,261	1.83%
Commodities	21.10%	\$327,008,224	\$5,636,939	1.72%
TOTAL**		\$345,775,145	\$5,995,505	1.73%

Fiscal 2020 Annual

TERM CONTRACTS	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$20,704	\$0	0.00%
Building Construction	21.10%	\$1,816,205	\$0	3.36%
Special Trade	32.90%	\$546,995	\$1,583	11.14%
Professional Services	23.70%	\$1,947,468	\$1,216	1.30%
Other Services	26.00%	\$21,494,496	\$400,302	6.79%
Commodities	21.10%	\$559,463,779	\$6,284,394	3.62%
TOTAL**		\$585,289,647	\$6,687,495	1.14%

* 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 their purchases to maximize their purchasing power. During the first half of fiscal 2022, the statewide group purchases rose by approximately \$13.6 million compared to the first half of fiscal 2021. Total state expenditures with HUBs in group purchasing increased by 30.9 percent (approximately \$13.2 million).

Fiscal 2022 – Semi-Annual***

GROUP PURCHASING	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$0	\$0	0%
Building Construction	21.10%	\$3,632,737	\$732,308	20.16%
Special Trade	32.90%	\$3,600,312	\$1,385,475	38.48%
Professional Services	23.70%	\$448,152	\$2,091	0.47%
Other Services	26.00%	\$49,254,281	\$9,926,708	20.15%
Commodities	21.10%	\$151,015,048	\$43,616,878	28.88%
TOTAL**		\$207,950,530	\$55,663,360	26.77%

Fiscal 2021 – Semi-Annual***

GROUP PURCHASING	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$6,714	\$0	0%
Building Construction	21.10%	\$4,737,378	\$229,887	4.85%
Special Trade	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%
TOTAL**		\$194,357,856	\$42,512,291	21.87%

Fiscal 2021 Annual

GROUP PURCHASING	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$69,137	\$0	0%
Building Construction	21.10%	\$14,764,749	\$1,871,650	12.68%
Special Trade	32.90%	\$32,526,168	\$1,884,192	5.79%
Professional Services	23.70%	\$7,645,646	\$1,652,451	21.61%
Other Services	26.00%	\$58,885,190	\$9,982,949	16.95%
Commodities	21.10%	\$198,512,690	\$50,245,983	25.31%
TOTAL**		\$312,403,580	\$65,637,225	21.10%

Fiscal 2020 Annual

GROUP PURCHASING	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$0	\$0	0%
Building Construction	21.10%	\$10,312,127	\$3,433,334	33.29%
Special Trade	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%
TOTAL**		\$320,511,991	\$85,069,558	20.54%

* 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.