



720 – Fiscal 2023 Semi-Annual HUB Report Supplemental Letter

It is the policy of The University of Texas System Administration to promote and encourage contracting and subcontracting opportunities for Historically Underutilized Businesses (HUBs) in all contracts. Measurements of supply marketplace variables, including demand for goods and services for which no HUB suppliers are available, and payments to non-certified HUB firms are important considerations in evaluating HUB program performance. In building construction, the impact of projects being delayed because of the COVID pandemic has resulted in nearly all of the projects being reported being in the start-up stage where there typically are little expenditures with HUB subcontractors. HUB firms usually win contracts in the finishes and as second tier on mechanical and electrical trade areas. Under normal market conditions there is a mix of projects at various levels of completion which smooths out HUB expenditures. In other services, we had large expenditures in insurance premiums and technology services where traditionally there is limited HUB availability for the scale of projects or in the very specialized categories of services UT System purchases. Despite these challenges our performance in professional services and special trade construction was significantly higher than in the FY 2022 Semi-Annual HUB Report.

Good faith efforts include but are not limited to:

- Sponsorship of subcontractor training classes in Tyler to prepare HUB firms to pursue work on the UT Tyler Medical Education Building
- Hosted a focus group meeting with HUB contractors across the state to discuss challenges in working on major capital projects
- Participation and HUB forum events in regions across the state and HUB one-on-ones.
 - Participated in 7 HUB outreach events sponsored by various organizations including Texas Association of African American Chambers of Commerce, Texas Association of Mexican American Chambers of Commerce, Regional Hispanic Contractors Association, and Greater Austin Asian Chamber of Commerce
 - Staff had 38 one-on-one meetings with HUB firms virtually, on the phone, and in person
- Focus on Mentor Protégé Program
 - Currently there are 5 active partnerships: 3 Construction and 2 Professional Services.

The University of Texas System Administration, in partnership with the institutions within The University of Texas System, is committed to maximizing HUB participation by fostering collaborative efforts and innovative approaches ensuring HUB inclusion in local communities throughout the state in an effort to facilitate economic development.

The University of Texas System Administration submits this supplemental letter to provide additional information and background related to its HUB program. Please address inquiries to the HUB Office, 512-499-4377 or e-mail to hhay@utsystem.edu.

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