



## **Supplemental Letter FY 2024 Semi Annual HUB Report Agency 458**

The Texas Alcoholic Beverage Commission (TABC) is committed to supporting the Historically Underutilized Businesses (HUB) Program by offering procurement opportunities to HUB vendors, training TABC divisions about the HUB program, researching available HUB companies, making efforts to connect with a diverse pool of HUB participants, and planning for HUB event attendance.

In FY2024, unfortunately, TABC did not meet the 'Commodities' expenditure goal of 21.10%. The reported percentage of 9.03% is attributed to procurement awards with set-aside programs, WorkQuest and TCI, the Statewide Procurement Division (SPD) term contracts, and Department of Information Resources (DIR) contracts. The special trade goal of 32.90% was not met, as all awards were made to Non-HUB vendors in FY24. TABC has no activity under Heavy or Building Construction or Professional Services. TABC will continue to find a balance that allows procurements to meet required purchasing statutes in addition to meeting or exceeding HUB goals for the remainder of the fiscal year.

Notably, TABC has experienced a recent loss of a HUB vendor due to an Assignment and Assumption of that company and their TABC contract. Once the process of incorporation was complete, the new vendor did not meet the requirements of residency for becoming a HUB, and their application was rejected. They have now met that consideration and are in the process of resubmitting their application. TABC will assist the vendor as needed to make the deadline of becoming an official HUB vendor by August 31, 2024. As a comparison, in FY23, TABC's goal for Other Services was 26% and TABC was able to report 87.87%. In FY24, Other Services Contracts are now 21.47%. This shift from HUB expenditure to non-HUB expenditure has led to a decline in TABC's overall HUB percentage. In addition to awards, TABC is committed to expanding HUB participation through outreach efforts as briefly summarized below:

- TABC continues to participate in the HUB Discussion Workgroup which remains a key component to the success of the HUB program. This workgroup partners with Department of Information Resources (DIR) and the Comptroller of Public Accounts (CPA), Statewide HUB Program to produce the HUB work group.
- TABC will continue to strategize networking opportunities and participation in the HUB Mentor/Protégé program.
- For formal bidding and solicitations, the HUB coordinator will continue to offer a courtesy review of potential bidder's HUB Subcontracting Plan, two (2) weeks prior to the bid submission for any vendor, to assist the bidders with understanding the forms and submission requirements.

TABC is committed to maximizing HUB participation by fostering collaborative efforts and innovative approaches to meet or exceed state goals. This letter serves to recognize the ongoing efforts TABC is implementing to increase participation in the HUB program. TABC submits this supplemental letter to provide additional information and background related to its HUB program's Semi-Annual HUB report, submitted April 2024. Please address inquiries to the HUB coordinator at TABC.