



## 720 – Fiscal 2021 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 FY 2021, UT System exceeded the statewide HUB goal in the procurement categories of building construction, commodities, and special trade construction. In the other services procurement categories, the low HUB participation was driven in part by the large systemwide purchases for property insurance and the insurance control program in construction where there were no HUB firms able to meet the systemwide insurance needs in those areas. The \$36 million was spent on insurance premiums for property insurance for all UT System buildings with over \$40 billion in value, and \$3.4 million for the systemwide insurance program for major capital program. The property insurance premiums have nearly tripled since 2009. Those insurance expenditures previously noted, and the direct purchase of Oracle software licenses represented nearly 70 percent of total spend in other services. In professional services, accounting represents nearly 60 percent of total spend of which most are spent on audit contracts which have very little subcontracting. Traditionally, architecture firms on major capital projects subcontract a substantial portion of their contracts, but those contracts now only represent approximately 30 percent of total spend in professional services, down from 90 percent of total professional services spend in FY 2017.

Good faith efforts include but are not limited to:

- Participation in HUB forum events and meetings with HUBs that were mostly virtual
  - Facilitated 14 Mentor-Protégé meetings and presentations
  - Participated in 16 HUB advocacy group outreach events
  - Facilitated 103 virtual, phone, or in person one-on-one meetings between HUB firms and U.T. System staff and/or prime firms
- Special presentations and sponsored events by the HUB office included
  - Presentations on the HUB Contractor Guide in January 2021, March 2021, and April 2021
  - Sponsored UT Systemwide HUB Opportunities forums on Construction in December 2020 and Goods and Services in April 2021
- Focus on Mentor Protégé Program
  - Currently there are 9 active partnerships

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 Office of HUB Programs, 512-499-4377 or e-mail to [hhay@utsystem.edu](mailto:hhay@utsystem.edu).

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