



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

Nov. 19, 2021

The Honorable Greg Abbott, Governor, State of Texas
The Honorable Dan Patrick, Lt. Governor, State of Texas
The Honorable Dade Phelan, Speaker, Texas House of Representatives

Gentlemen,

The Comptroller of Public Accounts, Statewide Historically Underutilized Business (HUB) Program submits the fiscal year 2021 Annual Statewide HUB Expenditure Report as required in Texas Government Code 2161.121. Due to the combination of some HUB records that included incorrect HUB group information and other production issues the final run of the report published on Nov. 15 included incorrect HUB totals and intergovernmental expenditures that were not backed out of agency totals. The report has been revised and posted on the HUB Reports webpage at: <https://comptroller.texas.gov/purchasing/vendor/hub/reporting.php>.

The revised report summarizes the state agency and institutions of higher education (university) contract awards and expenditures to HUBs.

This report is a consolidated fiscal year report of state agency and university expenditures and includes:

- the number of and total dollar amount of contracts awarded and paid to HUBs,
- an analysis of the relative level of opportunity for HUBs for purchases of goods and services, and
- the gender and number of qualified groups participating in bidding and awards.

Each agency submits its expenditure data for Sept. 1, 2020, through Aug. 31, 2021. The data submitted allow us to analyze expenditure data by gender and qualified certification groups of Asian American-, Black American-, Hispanic American-, American Woman-, and Service-Disabled Veteran-owned small businesses.

Overall, 3,767 out of 16,373 certified HUBs received awards totaling \$3,285,078,003, which was an increase in HUB spend from fiscal year 2020 by 11.7 percent or \$344,121,647. Most eligible HUB groups saw increased expenditures in five of the six purchasing categories, with Hispanic-owned HUBs receiving \$1.2 billion and women-owned HUBs receiving \$1.3 billion.

The Statewide HUB Program has entered a contract with a vendor to simplify the HUB certification application process by moving from a manual certification process to an online system. Applications are submitted, reviewed, accepted, certified and audited directly through the online system, streamlining and documenting the process within the system. We maintain 12 Memorandums of Agreements (MOAs) with various certification entities. Six of the 12 MOAs maintain their certification process with the same vendor, allowing the HUB records to be shared. The other six can enter their HUB records for certification into the system, simplifying the process.

In fiscal 2022, the Statewide HUB program will focus its education and outreach efforts with the qualifying groups that fell lowest on the awards categories and will continue trainings to increase awareness of the state's HUB program by expanding the participation of certified HUBs in the state's competitive bid process.

For questions about this Annual Report, contact Maya Ingram, manager of the Statewide HUB program, at maya.ingram@cpa.texas.gov, 1-888-863-5881 or 512-463-5872.

Respectfully,

A handwritten signature in black ink that reads "Bobby Pounds".

Bobby Pounds, Director
Statewide Procurement Division
Comptroller of Public Accounts