



**OFFICE OF THE ASSISTANT VICE PRESIDENT AND CHIEF PROCUREMENT OFFICER
PROCUREMENT AND PAYMENT SERVICE**

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Supplemental Summary for FY 2023 Annual Report Agency 721

This supplement to The University of Texas at Austin's Annual Historically Underutilized Business Report for Fiscal Year 2023 has been prepared to provide a broader and more comprehensive representation of The University of Texas at Austin's efforts in its attempt to reach the Good Faith Effort Goals set by the State Legislature.

In accordance with the *Texas Government Code*, Sections 2161.181-182 and Section 111.11 of the *Texas Administrative Code* (TAC), state agencies shall make a good faith effort to utilize State of Texas certified, Historically Underutilized Businesses (HUBs) in contracts for construction, services, including professional and consulting services, special trade, and commodities.

The University of Texas at Austin's annual HUB percentage has averaged 18.15% over the last six fiscal years: 2018 (19.86%); 2019 (20.87%); 2020 (16.22%); 2021 (17.43%); and 2022 (16.78%). The University's annual HUB percentage for FY 2023 is 17.74% with \$121,371,123 awarded to HUB suppliers.

FY23 has seen headway in strategic efforts to develop new sourcing opportunities and move from a purely competitive supplier network to one that includes strategic business alliances, while safeguarding for the highest level of qualified diverse supplier performance, as a direct result of continued efforts in supplier outreach and focused training provided directly to certified HUB suppliers.

Results of FY23 good faith efforts include:

- \$103.2M in direct awards to HUB suppliers, a \$23M (28%) increase over FY22 (\$80.1M). This is in addition to a 31% increase over FY21 (\$61M). Total direct spend for FY23 includes \$32.5M (72%) of UT Austin online marketplace awards to HUB suppliers.
- \$18.1M in payments to HUB suppliers, through contracts that include subcontracting awards.
- \$121.3M in overall spend with HUB suppliers, a \$12M (11%) increase over FY22 (\$109M).
- 100 new HUB suppliers (29%) contracted with during FY23 (344 HUB suppliers used).
- Participation in 29 outreach events including 19 in person and 10 virtual across the Austin, San Antonio, and Dallas markets.
- More than 2,100 diverse supplier contacts made across all outreach events.
- Provided 46 training sessions in FY 2023 to HUB certified firms during the biweekly HUB Subcontracting Plan (HSP) and Payment Application Requests (PAR) recurring training events.
- Recent procurement strategy in FY23 resulted in new awards that will contribute an estimated \$25.4 million in HUB spend over the next five years within the construction and facilities services category.
- Considering "non-availability" payments for FY23 HUB payments would equal 22.09% of overall university spend.

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Date