



**TEXAS ALCOHOLIC
BEVERAGE COMMISSION**
Supporting Businesses and Protecting Texans

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Supplemental Letter FY 2024 Annual HUB Report Agency 458

The Texas Alcoholic Beverage Commission (TABC) is committed to supporting the Historically Underutilized Businesses (HUB) Program by promoting and encouraging procurement opportunities for HUB vendors. This commitment includes training TABC divisions about the HUB program and guiding the agency to evaluate – when seeking goods and services – whether HUB suppliers are available. In that regard, TABC's HUB program researches available HUB companies, endeavors to connect with a diverse pool of HUB participants, and generates an annual plan for HUB event attendance.

Unfortunately, during FY24, the agency did not meet the 'Commodities' expenditure goal of 21.10%. Despite the underperformance, TABC saw some success in issuing procurement awards to set-aside programs (WorkQuest and TCI), Statewide Procurement Division term contracts, and Department of Information Resources (DIR) contracts; the agency looks to continue and expand upon that success. The special trade goal of 32.90% was not met, as all awards were made to non-HUB vendors, because no HUB suppliers were available. Regarding Heavy or Building Construction, TABC had no activity under that category.

Notably, the agency's Other Services HUB achievement suffered in part due to a significant loss of a HUB vendor, following its Assignment and Assumption of the company and its TABC contract. Once the process of incorporation was complete, the new vendor did not meet the requirements of residency to re-certify as a HUB. TABC will assist the new vendor, where possible, to re-qualify as a HUB vendor or to explore subcontracting opportunities, to HUB suppliers, where practicable. Note, the change described in the preceding text is apparent when comparing FY23's Other Services attainment, of 87.87%, to FY24's updated performance of 20.43%. That single vendor's shift from a HUB to a non-HUB produced a significant decline in TABC's overall HUB expenditures.

In addition to making strides within our awards activity, TABC is committed to expanding HUB participation through good faith outreach efforts, which include but are not limited to the following:

- 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 DIR and the Comptroller of Public Accounts' 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 Annual HUB report for FY 2024. Please address inquiries to TABC's HUB coordinator by email to purchasing@tabc.texas.gov or by phone at (512) 206-3225.

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