

**Schedule C: Health and Human Services System  
Historically Underutilized Businesses Plan**

The Health and Human Services (HHS) System administers programs to encourage participation by historically underutilized businesses (HUBs) in all contracting and subcontracting by HHS agencies. The System's HUB Programs are designed to enhance the ability of HUBs to compete for HHS System contracts, increase agencies' awareness of such businesses, ensure meaningful HUB participation in the procurement process, and assist HHS System agencies in achieving its HUB goals.

Each state agency is required to include in its strategic plan a HUB plan. The section below describes in its entirety a coordinated HUB plan that covers the HHS System's HUB programs as a whole.

## Goal

The goal of the HHS System HUB Plan is to promote fair and competitive business opportunities that maximize the inclusion of minority-owned businesses and women-owned businesses that are certified HUBs in the procurement and contracting activities of HHS System agencies.

## Objective

The HHS System strives to meet or exceed the Statewide Annual HUB Utilization Goals and/or agency-specific goals that are identified each fiscal year (FY) in the procurement categories related to the HHS System's current strategies and programs.

## Outcome Measures

In accordance with Section 2161(d)(5) of the Texas Government Code and the State's Disparity Study, state agencies are required to establish their own HUB goals based on scheduled fiscal year expenditures and the availability of HUBs in each procurement category.

In procuring goods and services through contracts, the HHS System, as well as each of its individual agencies, will make a good faith effort to meet or exceed the statewide goals, as described in Table C.1, and/or agency-specific goals for HUB participation for the contracts that the agency expects to award in a fiscal year.

**Table C.1**  
**Statewide HUB Goals by Procurement Categories, Fiscal Year 2015**

<b>PROCUREMENT CATEGORIES</b>	<b>UTILIZATION GOALS</b>
Heavy Construction	11.20%
Building Construction	21.10%
Special Trade Construction	32.90%
Professional Services Contracts	23.70%
Other Services Contracts	26.00%
Commodity Contracts	21.10%

**Table C.1: Data from FY 2015 Statewide HUB Report, Texas Comptroller of Public Accounts.**

The HHS System will collectively use the following outcome measure to gauge progress:

- Total expenditures and the percentage of purchases awarded directly and indirectly through subcontracts to HUBs under the procurement categories.

Each HHS System Agency may track additional outcome measures.

## **HHS System Strategies**

When feasible, the HHS System will consider setting higher goals for its contract opportunities. Factors to determine feasibility will include:

- HUB availability,
- Current HUB usage,
- Geographical location of the project,
- Contractual scope of work,
- Size of the contract, or
- Other relevant factors as identified.

The HHS System agencies will also maintain and implement policies and procedures, in accordance with the HUB rules, to guide the agencies in increasing the use of HUBs by contracting directly and/or indirectly by subcontracting.

The HHS agencies employ several additional strategies, such as:

- Tracking the number of contracts awarded to certified HUBs as a result of HHSC outreach efforts;

- Obtaining assurances that contractors will make a good-faith effort to subcontract with HUBs identified in their subcontracting plans and maintain the commitment throughout the contract;
- Using available HUB directories, the Internet, minority or women trade organizations or development centers to solicit bids;
- Maintaining a HUB Office, including a full-time HUB Coordinator and two HUB Administrators at the HHSC headquarters for effective coordination; and/or
- Developing and implementing a HUB Governance Plan and providing updates to the Executive Commissioner and Commissioners on Enterprise HUB Program activities, related initiatives and projects.

## Output Measures

The HHS System will collectively use and individually track the following output measures to gauge progress:

- The total number of bids received from HUBs,
- The total number of contracts awarded to HUBs,
- The total amount of HUB subcontracting expenditures,
- The total amount of HUB Procurement Card expenditures,
- The total number of mentor-protégé agreements,
- The total number of HUBs awarded a contract as a direct result of HHSC outreach effort, and
- The total number of HUBs provided assistance in becoming HUB-certified.

Additional output measures which may be used by specific HHS System agencies include:

- Total number of external outreach initiatives such as HUB forums attended and sponsored, and
- Total number of internal outreach initiatives such as agency HUB vendor presentations (Internal HUB Forums) and individual vendor meetings.

## HUB External Assessment

According to the Comptroller of Public Accounts FY 2015 Statewide Annual HUB Report, the HHS System collectively awarded 16.71 percent of all contract funds to HUBs. Table C.2 specifies details of the total FY 2015 expenditures for each HHS agency and total spending with HUBs directly and indirectly through subcontracting.

**Table C.2**  
**HHS System Expenditures with Historically Underutilized Businesses,**  
**by Agency, Fiscal Year 2015**

<b>Agency</b>	<b>Total Expenditures</b>	<b>Total Spent with All Certified HUBs</b>	<b>Percent</b>
<b>HHSC</b>	\$873,538,011	\$157,532,367	18.03%
<b>DADS</b>	\$154,035,375	\$19,080,083	12.39%
<b>DARS</b>	\$19,701,582	\$3,542,512	17.98%
<b>DFPS</b>	\$60,582,144	\$16,145,009	26.65%
<b>DSHS</b>	\$381,973,296	\$52,639,453	13.78%
<b>Total</b>	\$1,489,830,408	\$248,939,424	16.71%

**Table C.2: Data from FY 2015 Statewide Annual HUB Report, Texas Comptroller of Public Accounts.**

The HHS System agencies made a number of internal improvements to help meet statewide and/or agency-specific HUB goals. HHS System agencies initiated an aggressive outreach effort to educate HUBs and minority businesses about the procurement process. In addition, the HHS System agencies developed and implemented a HHS HUB Governance Plan to assist with the continuous implementation, coordination, oversight, and management of the HHS agency's HUB Program initiatives in accordance with the HUB statute, rules, and/or policies throughout the HHS System.

Other areas of progress include:

- Promoting HUB usage within agencies' procurement card programs;
- Maintaining the signed Memorandum of Cooperation between HHSC and two entities: the Texas Association of African-American Chambers of Commerce and the Texas Association of Mexican-American Chambers of Commerce;
- Contracting directly with the Chambers of Commerce to provide access to minority firms and, when applicable, to assist with HUB certification and contracting opportunities;
- Conducting post-award meetings with contractors to discuss the requirements related to the HUB Subcontracting Plan and monthly reporting;
- Advertising HHSC contract opportunities on the Electronic State Business Daily (ESBD) and while attending external outreach events; and
- Developing an HHSC Business Opportunities Page on its website to maintain awareness for all HUBs.

Additional goals include:

- Enhancing outreach efforts internally and externally by promoting access, awareness, and accountability through education and training;
- Enhancing minority- and woman-owned businesses' participation in System-sponsored HUB Forums where exhibitors may participate in trade-related conferences;
- Enhancing HHS System HUB reporting capabilities;
- Expanding HHS System mentor-protégé program vision to maximize the state's resources through cooperation and assistance from other public entities and corporate businesses; and
- Promoting and increasing awareness of subcontracting opportunities in HHS System contracts, which are identified in contractors' HUB Subcontracting Plans.

