



**Health and Human
Services System Strategic
Plans 2019–2023
Schedule C:
Historically Underutilized
Businesses Plan**

As Required by

Tex. Gov't Code Sec. 2161.123

Health and Human Services Commission

Department of State Health Services

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1. Introduction

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 HHS 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 their 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.

2. Goal

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

3. 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.

4. Outcome Measures

In accordance with Texas Government Code Section 2161(d)(5) 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 1, and/or agency-specific goals for HUB participation for the contracts that the agency expects to award in a fiscal year.

Table 1: Statewide HUB Goals by Procurement Categories, Fiscal Year 2018

PROCUREMENT CATEGORIES	UTILIZATION GOALS
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%

Source: Data from FY 2018 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.

5. HHS System Strategies

When feasible, the HHS System will consider setting modified 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
- 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 through subcontracting.

The HHS agencies employ several additional strategies, such as:

- Tracking the number of contracts awarded to certified HUBs as a result of outreach efforts by the Health and Human Services Commission (HHSC)
- Obtaining assurances that contractors will make a good-faith effort to subcontract with HUBs identified in its subcontracting plan and maintain the commitment throughout the contract
- Using available HUB directories, the internet, trade organizations or development centers to solicit bids
- Maintaining a HUB Office of HUB Coordinators at HHSC headquarters for effective coordination for all HHS agencies
- Developing and implementing reporting practices to provide updates to the Executive Commissioner, Chief Operating Officer, Deputy Executive Commissioners and Associate Commissioners on HHS HUB Program activities, related initiatives and projects

6. Output Measures

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

HHS System Strategic Plans for 2019–2023
Schedule C: Historically Underutilized Businesses Plan

- 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 the HHSC outreach efforts
- The total number of HUBs provided assistance in becoming HUB certified.

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

- The total number of outreach initiatives such as HUB forums attended and sponsored
- The total number of HUB training provided to the vendor community as well as internally to agency staff.

7. HUB External Assessment

According to the Comptroller of Public Accounts FY 2017 Statewide Annual HUB Report, the HHS System collectively awarded 17.19 percent of all contract funds to HUBs. Table 2 specifies details of the total FY 2017 expenditures for each HHS agency and total spending with HUBs directly and indirectly through subcontracting.

Table 2: HHS System Expenditures with Historically Underutilized Businesses, by Agency, Fiscal Year 2017

AGENCY	TOTAL EXPENDITURES	TOTAL SPENT WITH ALL CERTIFIED HUBS	PERCENT
HHSC	\$1,014,268,116	\$198,363,362	19.56%
Department of Aging and Disability Services	\$149,630,388	\$12,582,282	8.41%
Department of Family and Protective Services	\$71,565,069	\$23,135,377	32.33%
Department of State Health Services	\$384,026,122	\$44,405,133	11.56%
Total	\$1,619,489,695	\$278,486,154	17.19%

Source: Data from FY 2017 Statewide Annual HUB Report, Texas Comptroller of Public Accounts.

The HHS System agencies continuously strive to make internal improvements to help meet or exceed statewide and/or agency-specific HUB goals. HHS System agencies continued outreach efforts to educate HUBs and minority businesses about the procurement process.

Other areas of progress include:

- 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
- Conducting post-award meetings with contractors to discuss the requirements related to the HUB Subcontracting Plan and monthly reporting
- Advertising HHS contract opportunities on the Electronic State Business Daily and while attending external outreach events

HHS System Strategic Plans for 2019–2023
Schedule C: Historically Underutilized Businesses Plan

Additional goals include:

- Enhancing outreach efforts internally and externally by promoting access, awareness, and accountability through education and training
- Enhancing minority/woman/services disabled veteran owned businesses' participation in HHS 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
- Promoting and increasing awareness of subcontracting opportunities in HHS System contracts, which are identified in contractors' HUB Subcontracting Plans