Supplemental Letter for the FY 2012 Annual HUB Report – Agency 720

It is the policy of The University of Texas System, and each of its institutions, to promote and encourage contracting and subcontracting opportunities of Historically Underutilized Businesses (HUBs) in all contracts. Measurements of supply marketplace variables, including demand for goods and services for which no HUB suppliers are available and payments to non-certified HUB firms, are important considerations in evaluating HUB program performance. Payments exceeding $33.8M made by this agency to 19 non-certified HUB firms during the reporting period are not reflected in published program performance measures.

Good faith efforts during FY 2012 included, among other actions, the following:
- Payments in excess of $153.3M dollars to 423 certified firms
- Outreach in 132 HUB forum events
  - Sponsored 19 HUB forum events
  - Provision of 74 one-on-one introductions of HUB firms to key personnel at U. T. System, U. T. System Institutions and other state agencies
  - 39 outreach opportunities to minority/women organizations

Special initiatives for FY 2012:
- HUB Technical Assistance team
  - Sponsored Model Contractor Development Program workshop series in San Antonio with 32 in attendance at the three sessions in FY 2012
  - Cosponsored bonding workshops in Houston and San Antonio
  - Cosponsored access to capital workshops in Dallas and Fort Worth
- Fourteen active mentor-protégé relationships in professional services and construction
- Provision of HUB Program assistance to other university systems

The capital construction program for U. T. System comprises 95.5% of total expenditures. The absolute dollars spent with HUBs ebbs and flows with the cash flow of each project. Fiscal Year 2012 total expenditures reflect construction expenditures at $7.8M less than FY 2011 and represent 67 active projects.

All U. T. System bonds/notes are rated by at least two of the three nationally recognized bond-rating agencies: Standard & Poor’s, Moody’s, and Fitch. When bonds/notes are sold, a paying agent/registrar is selected to maintain a record of bondholders and to pay the periodic interest and principal payments. The paying agent/registrar is typically a bank that must be automated and capable of meeting the requirements that may be specified by the Depository Trust Company in New York. HUB firms that provide bond counsel, financial, printing and underwriting services are limited in these areas.

The University of Texas System in partnership with component institutions is committed to maximizing HUB participation by fostering collaborative efforts and innovative approaches while ensuring HUB inclusion in local communities throughout the state in an effort to facilitate economic development.

The University of Texas System Administration submits this supplemental letter to provide additional information about its HUB program. Please address inquiries to the Office of HUB Development, 512-499-4530.

Hopeton B. Hay
Director
Office of HUB and Federal Small Business Programs