



## THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION

### *Office of Historically Underutilized Business (HUB) Development*

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### **Supplemental Letter for the FY 2010 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 **\$30.2M** made by this agency to **8** non-certified HUB firms during the reporting period are not reflected in published program performance measures.

Good faith efforts during FY 2010 included, among other actions, the following:

- Payments in excess of \$158.4M dollars to 352 certified firms
- Outreach in 66 HUB forum events
  - Sponsored 27 HUB forum events
  - Provision of 92 one-on-one introductions of HUB firms to key personnel at U. T. System, U. T. System Institutions and other state agencies
  - 49 outreach opportunities to minority/women organizations

Special initiatives for FY 2010:

- HUB Technical Assistance team
  - Assisted 3 HUB firms with obtaining \$365,000 in loans
  - Six HUB firms obtained \$10 million in bonding capacity by participating in our Model Contractor Development Program
  - Assisted 2 HUB firms on one-on-one basis with obtaining \$1.75 million in bonding capacity
  - Sponsored Model Contractor Development Program workshop series in Austin and Houston with attendance of 127 HUB firms for the 8 sessions
  - Made presentations on bonding at 7 outreach events in Austin, Dallas, Galveston, Houston and San Antonio
- Twelve active mentor-protégé relationships in commodities, professional services and construction
- Provision of HUB Program assistance to other university systems
- Leadership in Texas Universities HUB Coordinators Alliance (TUHCA) to provide training and outreach opportunities to increase HUB Coordinator effectiveness in institutional HUB participation

The capital construction program for U. T. System comprises 92% of total expenditures. The absolute dollars spent with HUBs ebbs and flows with the cash flow of each project. Fiscal Year 2010 total expenditures reflect construction expenditures at \$87.8M more than FY 2009 and represent 75 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.

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Director  
Office of HUB Development and Federal Small Business Program