

TEXAS A&M UNIVERSITY-KINGSVILLE

Title: Policy on Historically Underutilized Businesses
HUB Rule No.: P-200-FY2007

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TEXAS A&M UNIVERSITY-KINGSVILLE HISTORICALLY UNDERUTILIZED BUSINESS (HUB) DIVERSITY INITIATIVE PLAN FISCAL YEAR 2007

I. Introduction:

A. Commitment

The Texas A&M University-Kingsville is fully committed to the Texas A&M University System System-Wide HUB Diversity Initiative in efforts to reach a more diverse group of minority and women owned business in its contracting opportunities. This plan complements the university's Historically Underutilized Business (HUB) Plan to insure a substantive, well defined and coordinated effort in achieving the goals of the State HUB Program.

B. Past Two Fiscal Years Performance Progress

In the last two fiscal years the university has steadily increased its overall HUB expenditures. In fiscal year 2004 the university had \$3,542,527 in expenditures with certified HUB vendors and this represented 30.5% of all expenditures. In fiscal year 2005 the university had \$5,559,154 in expenditures with certified HUB vendors for a 35.5% total expenditure with HUBs. The attached table A shows that the university exceeded the state HUB goal in three (3) of the established six (6) state procurement categories in fiscal year 2004, and exceeded goals in four (4) of the categories for fiscal year 2005. The table also indicates that in both fiscal years 2004 and 2005 the total spent with HUBs exceeded the overall required amount to meet the total goal for all procurement categories. Performance for the first six months of fiscal year 2006 shows the university continuing this improvement trend with a slight percentage increase of total dollars spent with HUB vendors.

C. Current Procurement Practices

The procurement practices used by the university are detailed in the directives, polices and rules referenced in the Texas A&M University-Kingsville Historically Underutilized Business (HUB) Plan, paragraph III and paragraph

IV, A and E. To ensure equitable access to contracting opportunities the university policy is to be inclusive of minority and women owned businesses in solicitations and contracts. Bid lists are formed so as to have fair representation of all ethnic groups within the pool of HUBs available for each particular contracting opportunity.

II. Total HUB Performance and Performance By Ethnic Category For The Past Two Fiscal Years

Table A details the University's Total HUB Performance and Table B details HUB Performance by Ethnic Category for both FY 2004 and 2005 and for the FY 2006 Semi-Annual report period.

III. Areas Identified for Actions to Address HUB Diversity

Information on Tables A and B reflect some measurements of the outcomes we attained in the HUB Program. These measurements are based on information that is available at the university level. To formulate a more thorough analysis to measure successes in the HUB Program other details such as the number of certified HUBs in each ethnic group for each Procurement Category, relative business size, business capacity, etc. would be required.

A. Table A

The semi-annual FY06 section of the table indicates that if we had met all of the State Goals for all of the Procurement Categories our Overall % expenditures with HUBs would be 25.6%. We actually spent 36.2% with HUBs, or we exceeded the goal by 10.6%. Further analysis indicates that in Heavy Construction we exceeded the 11.9% State goal with an actual HUB expenditure of 83.7%; Building Construction we exceeded the 26.1% State goal with 70.3%; Special Trade we were short of the 57.2% State goal with only 25.3%; Professional Services we were short of the 20% State goal with an actual HUB expenditure of 7.2%; in Other Services we were short of the 33% State goal with only 5.7%; and in Commodities we exceeded the 12.6% State goal with an actual HUB expenditure of 27.9%. The other fiscal years on the table may be analyzed in the same manner.

This table contains measurable data that is being collected to evaluate HUB performance against established state goals. Total HUB performance is not an established state goal. This data makes no correlation to the ethnic groups and therefore is not indicative of diversity.

B. Table B TAMUK Performance by Ethnic Group

The State HUB Program does not have goals for each of the ethnic groups. Table B is an analysis of the certified HUB vendor base and the dollars spent with these vendors in an attempt to rationalize logic for what the total expenditures in each of the ethnic groups might look like. Data used is limited to that listed in the table.

Table B is an analysis of the total dollar amounts spent in each of the ethnic groups and the number of state certified HUB vendors in each of the ethnic groups. In the FY 2006 Semi-Annual period in the Asian Pacific group there were 1,116 certified HUBs which represent 6.8% of all state certified HUBs. This Asian Pacific group received contracts in the amount of \$62,157 which represents 2.4% of total awards to certified HUBs. Thus we might say that we under spent with Asian Pacific in the amount of 4.4%. Using this logic, we might conclude that our diversity spending levels correlated to ethnic populations as follows: Black – under spent; Hispanics – under spent; Women - over spent. The smaller table titled On June 15, 2006 is a summary of the Certified HUB Vendor diversity in District 16 as searched on this date. The university is located in District 16. By comparing this table with the statewide HUBs table, we can see a significant difference in diversity in our local region versus the state as a whole, which would naturally have an effect on the University's awards if there are no bidders available for particular projects.

- C. In summary the university will use information detailed in table B to evaluate HUB vendor diversity and to direct our efforts in implementing the plan of action detailed in paragraph IV below.

IV. Plan of Action to Increase Minority Participation and Diversity

- A. Training

Departmental purchasing training will include awareness on the state's registered HUB vendor base diversity to include data as tabulated on Table B. Local vendor diversity will also be addressed as part of this training. Personnel will also receive specialized training on information being distributed through the monthly reports mentioned in paragraph B below. Purchasing personnel will also be made aware of the significance of attaining HUB vendor diversity and the information detailed in Table B.

- B. Communication

Reports already distributed to the departments will include additional data to reflect HUB vendor diversity performance.

- C. Qualified HUB vendors for certification in the state HUB Program will be identified and actively pursued to get registered. Viable certified HUB vendors will be identified so as to get them to participate in the university's contracting opportunities.

V. Plan Outcome

This plan of action like any other HUB plan does not guaranty any specific results since it's built principally on the good faith effort of both the procurement office and the vendors. The university will comply with all requirements as stated in paragraph I. C. above. It is our intent that by implementing this plan we will achieve a more diverse group of minority and women owned businesses in its contracting opportunities.

**TEXAS A&M UNIVERSITY-KINGSVILLE
HISTORICALLY UNDERUTILIZED BUSINESS (HUB) PLAN
FISCAL YEAR 2007**

I. Statement of Commitment

The Texas A&M University-Kingsville is fully committed to making a good faith effort to promote full and equal business opportunities with minority, women owned businesses, and small businesses to enhance Historically Underutilized Businesses (HUBs) to compete for contracts and purchases. To ensure that all vendors have free access to participate in the competitive process, the University will establish and carry out policies governing purchasing and public works contracting that foster meaningful and substantive inclusion of historically underutilized businesses.

II. Texas A&M University-Kingsville HUB Program Goal

The goal of the Historically Underutilized Businesses (HUB) program is to promote HUB vendor participation in the University's contracting and subcontracting for goods and services.

III. Texas A&M University-Kingsville HUB Program Administration

The University shall utilize and supplement, as appropriate, the policies and rules for the HUB program as published in the Texas Government Code, chapter 2161, the Texas Administrative Code, Title 1, Part 5, Chapter 111, Subchapter B and the Texas A&M University System Policy 25.06.01 and the HUB Performance Improvement Plan and the University HUB Plan.

IV. Texas A&M University-Kingsville HUB Plan for Fiscal Year 2007

A. Communication

The university will provide continuation training on the HUB Program to the departments with emphasis on the goal of the program and the significance of the HUB Diversity Initiative. Departments will be trained on systems available to them to identify HUB vendors.

Vendor workshops will be provided to train vendors on the processes used by the university for procuring goods and services. The benefits and significance of the Mentor Protégé Program will be presented to vendors as well as the requirements of the HUB Subcontracting Plan.

HUB Program information is posted on the HUB web page to facilitate vendor access to the university contracting opportunities and to disseminate information to the University departments.

B. Outreach

The university will participate in Economic Opportunity Forums in the South Texas region in an effort to give maximum exposure to university contracting opportunities. Participation on events outside the South Texas region will be coordinated with the Texas A&M System HUB Office to insure representation.

C. Certification

The university HUB office will promote the HUB certification and CMBL registration process to all vendors. The HUB office will facilitate in providing the necessary applications and provide assistance to vendors as necessary.

D. Subcontracting

The HUB Coordinator will work closely with project managers in developing the HUB Subcontracting Plan (HSP) requirements on those contracts that have been determined to require one. Requests for payments on contracts with a HSP will be reviewed by the HUB Coordinator to insure compliance with the plan.

E. Vendor Diversity Initiative

The university will implement and support all modifications and addendums to the Texas A&M University System HUB Performance Improvement Plan.

Bid lists will be developed to include a more diverse group of vendors that represents all ethnic HUBs within the pool of HUBs available for each contracting opportunity.

Department delegated procurement training will include vendor diversity awareness.

V. HUB Program Support

The university has established a University HUB Advisory Committee to assist the HUB Coordinator with input and ideas to enhance the HUB program.

VI. Reporting

The university will comply with all the state reporting requirements and submit reports to the Texas A&M University System HUB Reporting Database.

VII. Audit

The university HUB Office and Purchasing Department will maintain documentation that will meet audit standards.

TABLE A TAMUK HUB Performance

FY 2006						
Procurement Category	State HUB Goal %	Total Expenditure \$	Required Expenditure to Meet Goal	Overall % Required to Meet Goal	Actual Total Spent With HUB \$	Total Spent With HUB %
Heavy Construction	11.9	23,991	2,854	-	12,808	53.33 *
Building Construction	26.1	3,971,923	1,036,671	-	2,831,069	71.28 *
Special Trade	57.2	1,490,254	852,425	-	440,453	29.55
Professional Services	20	412,447	82,489	-	43,026	10.43
Other Services	33	3,082,452	1,017,209	-	198,565	6.44
Commodity Purchasing	12.6	4,224,090	532,235	-	1,303,868	30.86*
		13,205,159	3,523,883	26.68	4,829,791	36.5**

FY 2005						
Procurement Category	State HUB Goal %	Total Expenditure \$	Required Expenditure to Meet Goal	Overall % Required to Meet Goal	Actual Total Spent With HUB \$	Total Spent With HUB %
Heavy Construction	11.9	3,223	384	-	1,296	40.2 *
Building Construction	26.1	5,305,325	1,384,690	-	2,976,881	56.1 *
Special Trade	57.2	1,470,237	840,976	-	602,668	40.9
Professional Services	20	167,531	33,506	-	66,554	38.7 *
Other Services	33	3,087,279	1,018,801	-	534,193	17.3
Commodity Purchasing	12.6	5,592,751	704,687	-	1,377,559	24.6 *
		15,626,344	3,983,044	25.5	5,559,154	35.5**

FY 2004						
Procurement Category	State HUB Goal %	Total Expenditure \$	Required Expenditure to Meet Goal	Overall % Required to Meet Goal	Actual Total Spent With HUB \$	Total Spent With HUB %
Heavy Construction	11.9	66,340	7,894	-	57,298	86.3*
Building Construction	26.1	2,020,099	527,245	-	494,816	24.4
Special Trade	57.2	1,508,123	862,646	-	789,958	52.3
Professional Services	20	551,847	110,369	-	455,467	82.5*
Other Services	33	2,486,685	820,606	-	364,749	14.6
Commodity Purchasing	12.6	4,959,685	624,920	-	1,380,238	27.8*
		11,592,781	2,953,680	25.5	3,542,527	30.5**

FY 2003						
Procurement Category	State HUB Goal %	Total Expenditure \$	Required Expenditure to Meet Goal	Overall % Required to Meet Goal	Actual Total Spent With HUB \$	Total Spent With HUB %
Heavy Construction	11.9	180,056	21,427	-	83,564	46.4*
Building Construction	26.1	2,241,467	585,023	-	580,137	25.8
Special Trade	57.2	842,506	481,913	-	338,607	40.1
Professional Services	20	199,614	39,923	-	43,560	21.8*
Other Services	33	2,223,722	733,828	-	493,923	22.2
Commodity Purchasing	12.6	5,671,293	714,580	-	831,138	14.6*
		11,358,641	2,576,694	22.7	2,370,932	20.8

* Exceeded State HUB Goal ☼ Exceeded Overall % Required to Meet Goal

TABLE B TAMUK Performance by Ethnic Group

	FY 2005			
Ethnic Group	Total Dollar Amount	% Awarded to HUBs	# HUBs State Certified	% of HUBs State Certified
Asian Pacific	518,668	9.3	1039	6.9
Black	437,548	7.9	3,171	21.1
Hispanic	1,051,758	18.9	4,273	28.4
Native American	155	0	257	1.7
Women	3,551,024	63.9	6,311	41.9
TOTAL:	5,559,153	100	15,051	100

On July 19, 2005	
# HUBs Certified In District 16	% of District 16 HUB Certified
3	1.2
6	2.5
129	53.3
3	1.2
101	41.7
242	100

	FY 2004			
Ethnic Group	Total Dollar Amount	% Awarded to HUBs	# HUBs State Certified	% of HUBs State Certified
Asian Pacific	580,058	16.3	911	6.99
Black	951,813	26.8	2,767	21.20
Hispanic	756,099	21.3	3,764	28.80
Native American	4,080	.115	247	1.89
Women	1,250,476	35.2	5,343	40.90
TOTAL:	3,542,527	100	13,032	100

	FY 2003			
	Total Dollar Amount	% Awarded to HUBs	# HUBs State Certified	% of HUBs State Certified
Asian Pacific	286,412	12.0	785	6.94
Black	80,854	3.41	2,401	21.2
Hispanic	532,592	22.4	3,405	30.14
Native American	0	0	227	2.0
Women	1,471,073	62.0	4,492	39.7
Women	2,370,932	100	11,310	100