

6.A. HISTORICALLY UNDERUTILIZED BUSINESS SUPPORTING SCHEDULE

82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/26/2010**
Time: **3:11:39PM**

Agency Code: **537** Agency: **State Health Services, Department of**

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2008 - 2009 HUB Expenditure Information

| Statewide HUB Goals | Procurement Category | HUB Expenditures FY 2008 | | | | Total Expenditures FY 2008 | | HUB Expenditures FY 2009 | | | | Total Expenditures FY 2009 |
|---------------------|----------------------------|--------------------------|--------------|------|---------------------|----------------------------|----------|--------------------------|-----------|---------------------|----------------------|----------------------------|
| | | % Goal | % Actual | Diff | Actual \$ | % Goal | % Actual | Diff | Actual \$ | | | |
| 11.9% | Heavy Construction | 21.4 % | 21.5% | 0.1% | \$11,793 | \$54,859 | 21.7 % | 21.8% | 0.1% | \$4,800 | \$22,046 | |
| 26.1% | Building Construction | 5.0 % | 5.0% | 0.0% | \$13,071 | \$263,287 | 8.2 % | 8.2% | 0.0% | \$19,515 | \$239,101 | |
| 57.2% | Special Trade Construction | 5.5 % | 5.5% | 0.0% | \$1,258,136 | \$22,867,544 | 25.2 % | 25.3% | 0.1% | \$4,556,895 | \$18,025,639 | |
| 20.0% | Professional Services | 3.9 % | 3.9% | 0.0% | \$617,431 | \$15,846,060 | 5.6 % | 5.6% | 0.0% | \$1,210,474 | \$21,487,259 | |
| 33.0% | Other Services | 29.8 % | 29.8% | 0.0% | \$20,636,518 | \$69,147,812 | 25.0 % | 25.1% | 0.1% | \$22,665,844 | \$90,376,150 | |
| 12.6% | Commodities | 6.2 % | 6.2% | 0.0% | \$12,262,412 | \$196,251,879 | 6.6 % | 6.6% | 0.0% | \$13,221,743 | \$201,784,367 | |
| | Total Expenditures | | 11.4% | | \$34,799,361 | \$304,431,441 | | 12.6% | | \$41,679,271 | \$331,934,562 | |

B. Assessment of Fiscal Year 2008 - 2009 Efforts to Meet HUB Procurement Goals

Attainment:

The agency exceeded the Heavy Construction goals FY 2008 and FY 2009. The agency did not attain or exceed any other statewide goals in FY 2008 or FY 2009.

Applicability:

DSHS had expenditures in all Procurement Categories.

Factors Affecting Attainment:

Geographical location of state facilities and HUB vendors' unable to provide best value and competitive price are major factors preventing DSHS to achieve "Special Trade" and "Building Construction" statewide goals for both FYs 2008 and 2009. The limited number of HUB certified medical professionals continually attributed to the underachievement to the level set forth for the "Professional Services" Goal. Affecting the "Commodities" category, large volume based pharmaceutical offers minimize the opportunities for HUB vendors. Of the \$301,431,444 eligible HUB expenditures in FY 2008, approximately \$136 million or 45% were for pharmaceuticals and offered no opportunity for HUB participation. Of the \$331,934,564 eligible HUB expenditures in FY 2009, approximately \$145 million or 44% were for pharmaceuticals and offered no opportunity for HUB participation.

"Good-Faith" Efforts:

DSHS made the following good faith efforts to comply with statewide HUB procurement goals per Texas Administrative Code (TAC), Sec.20.13(d): Ensured that contract specifications and terms reflected actual requirements, were clear, and did not impose unreasonable or unnecessary requirements; sponsored and/or participated in over 60 Economic Opportunity Forums (EOF); sponsored/attended internal Forums wherein HUBs could meet face-to-face with purchasing decision makers and prime contractors; HUB vendor lists, included in applicable solicitation; co-sponsored HUB Vendor Fair; prepared and distributed information on procurement procedures to encouraged participation in agency contracts by all businesses; established a Mentor/Protege program; active participation in HUB Discussion Work Group (Outreach Subcommittee); established Memorandums of Cooperation (MOC) between the TX Assoc. of African American and TX Assoc. of Mexican American Chambers of

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Commerce, and encouraged/assisted qualified minority/women owned businesses to become certified.