



**GLENN HEGAR, TEXAS COMPTROLLER OF PUBLIC ACCOUNTS**

---

P.O. BOX 13528 • AUSTIN, TEXAS 78711-3528

May 15, 2023

The Honorable Greg Abbott, Governor, State of Texas  
The Honorable Dan Patrick, Lieutenant Governor, State of Texas  
The Honorable Dade Phelan, Speaker, Texas House of Representatives

Gentlemen:

The Statewide Historically Underutilized Business (HUB) Program, a component of the Statewide Procurement Division of the Texas Comptroller of Public Accounts, is pleased to submit the Fiscal 2023 Semi-Annual Expenditure Report of contracts awarded to HUBs, as required by Texas Government Code 2161.121.

The Statewide HUB Program compiles and analyzes statewide procurement expenditures and contract awards of state agencies and institutions of higher education into this semi-annual HUB expenditure report from Sept. 1, 2022, through Feb. 28, 2023. It includes the number of bids, proposals and HUB participants; the total dollar amounts of treasury procurement expenditures and contracts awarded, both HUB and non-HUB; total number of certified HUB businesses available to participate in solicitations; a breakdown of certified HUBs by ethnicity, service-disabled veteran and gender; a breakdown of the state's term and group contract purchases; and summaries and analysis of the overall program's accomplishments toward meeting the statewide HUB goals.

During the first half of fiscal 2023, the Statewide HUB Program directory included 15,438 Texas-certified HUB vendors eligible to do business with Texas state agencies, with 2,948 HUB businesses receiving 12.31 percent or \$1,669,390,953 of all statewide expenditures.

A comparison of the total HUB expenditures and contract awards from fiscal 2022 to 2023 is reflected in the semi-annual tables, shown on page 1 of the Executive Summary. This comparison projects an increase in HUB awards and total dollars spent with HUBs in three of the six categories: Heavy Construction, Special Trade and Other Services.

Additionally, the report includes a list of state agency rankings and agency supplemental letters from various state agencies and universities documenting their continued good faith efforts to educate HUBs and increase their solicitation responses.

A copy of the report is available online at Historically Underutilized Business Reporting <https://comptroller.texas.gov/purchasing/vendor/hub/reporting.php>. If you have any questions or require additional information, please contact Maya Ingram, manager of the Statewide HUB Program, at 512-305-9849 or [maya.ingram@cpa.texas.gov](mailto:maya.ingram@cpa.texas.gov).

Respectfully,

A handwritten signature in black ink, appearing to read "Bobby Pounds".

Bobby Pounds  
Director  
Statewide Procurement Division  
Texas Comptroller of Public Accounts



## EXECUTIVE SUMMARY

The Statewide Historically Underutilized Business (HUB) Program is a program within the Statewide Procurement Division of the Texas Comptroller of Public Accounts. The program certifies small businesses that are minority-, woman- and service-disabled veteran-owned (with at least a 20 percent service disability) in efforts to increase their competitive bid participation and award opportunities to meet or exceed the statewide established HUB goals.

Texas had 15,438 certified HUBs during the first six months of fiscal 2023. More than 19 percent of HUBs participated in state contracts as prime contractors or subcontractors, collectively receiving 12.31 percent of all statewide expenditures.

State purchasers must search the Centralized Master Bidders List (CMBL) and include HUBs in vendor notifications when buying goods and services with a value of \$10,000 or more. Vendors are contacted directly by mail, email or telephone with invitations for bids. At the end of the first half of fiscal 2023, 2,877 (or 31.9 percent) of the state's certified HUBs were registered with the CMBL.

The state's overall spending through term contract purchases during the first half of fiscal 2023 totaled \$219 million, an increase of \$70.8 million compared to the same period of the previous year. However, the total percentage of dollars spent with HUBs within the term contract purchases decreased, with HUBs receiving \$3,224,119 through term contracts.

The state's overall spending through group purchases for the first half of fiscal 2023 decreased 25.6 percent by an estimated \$87.8 million from the same period in the previous year; the total group-purchasing dollars spent with HUBs decreased by 25.6 percent or \$3.7 million.

This report summarizes current HUB status and spending trends.

## TOTAL STATEWIDE EXPENDITURES

The state's total spending in the first six months of fiscal 2023 decreased by an estimated \$1.1 billion following the previous fiscal year's decrease of \$1.7 billion during the same period, while the share of statewide expenditures to HUB increased by 3.2 percent in 2023 following the 2022 year-over-year increase of 19.49 percent.

FISCAL YEAR	TOTAL STATEWIDE EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Fiscal 2023, Semi-Annual	\$13,566,750,331	\$1,669,390,593	12.31%
Fiscal 2022, Semi-Annual	\$14,620,241,189	\$1,616,211,160	11.05%
Fiscal 2021, Semi-Annual	\$16,209,583,622	\$1,352,588,548	8.34%

## WHO OWNS TEXAS HUBS

ELIGIBLE HUB GROUPS	FISCAL 2023, SEMI-ANNUAL			FISCAL 2022, SEMI-ANNUAL		
	Number of Certified HUBs	Males	Females	Number of Certified HUBs	Males	Females
Asian Pacific American	1,326	859	467	1,286	843	443
Black American	4,356	2,261	2,095	4,105	2,220	1,885
Hispanic American	4,842	3,239	1,603	4,846	3,297	1,549
Native American	243	167	76	262	184	78
Woman*	4,370	0	4,370	4,681	0	4,681
Service-Disabled Veteran**	301	301	0	282	280	2
<b>TOTAL</b>	<b>15,438</b>	<b>6,827</b>	<b>8,611</b>	<b>15,462</b>	<b>6,824</b>	<b>8,638</b>

\*The "Woman" category does not include women who are service-disabled veterans or of Asian Pacific American, Black American, Hispanic American and Native American ethnicities.

\*\*The "Service-Disabled Veteran" category does not include women or individuals of Asian Pacific American, Black American, Hispanic American and Native American ethnicities.

Source: Texas Comptroller of Public Accounts.

**EXPENDITURES WITH HUB GROUPS**

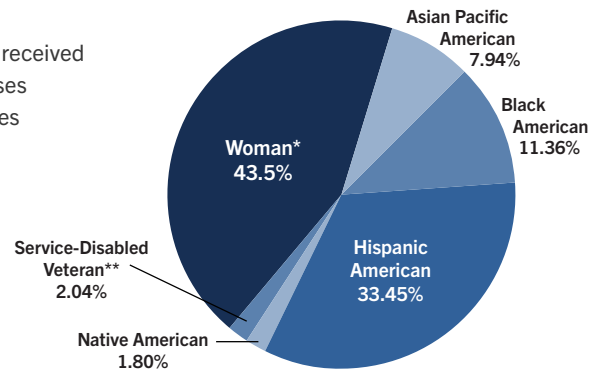
In analyzing the expenditures with HUB groups, in the first half of fiscal 2023 as compared to the first half of fiscal 2022, the total number of awards decreased for the eligible groups of Black, Native American and Woman-owned HUBs. However, the total expenditures with HUBs increased by 3.29 percent or \$53,179,433.

The overall subcontracting totals of business categories for the first half of fiscal 2023 compared to the first half of fiscal 2022 decreased by an estimated \$59 million or by 11.26 percent, with Building Construction falling 33.78 percent and Professional services falling 32.48 percent. Subcontracting expenditures in Heavy Construction increased by 25.26 percent, Special Trade increased by 10.25 percent, Other Services increased by 4.74 percent, and Commodities increased by 55.18 percent for a combined total increase of \$267.7 million.

ELIGIBLE HUB GROUPS	FISCAL 2023, SEMI-ANNUAL		FISCAL 2022, SEMI-ANNUAL	
	Number of Awards	Total HUB Expenditure	Number of Awards	Total HUB Expenditure
Asian Pacific American	234	\$200,810,197	233	\$191,808,496
Black American	335	\$160,147,949	349	\$145,930,115
Hispanic American	986	\$554,562,115	980	\$534,030,712
Native American	53	\$26,875,509	55	\$28,107,698
Woman*	1,280	\$717,885,225	1,396	\$703,437,815
Service-Disabled Veteran**	60	\$9,109,598	56	\$12,896,321
<b>TOTAL</b>	<b>2,948</b>	<b>\$1,669,390,593</b>	<b>3,069</b>	<b>\$1,616,211,159</b>

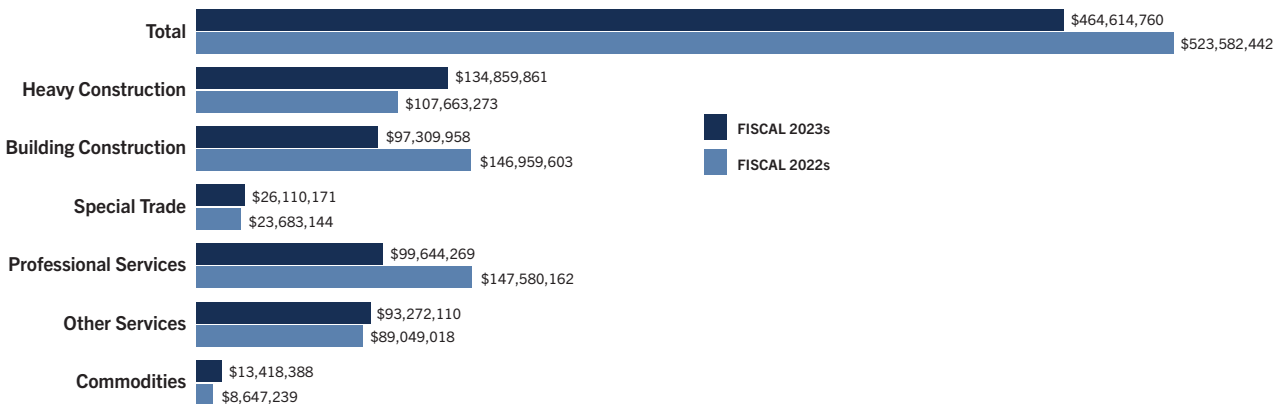
**WHO RECEIVES HUB EXPENDITURES?**

For the first six months of fiscal 2023, Anglo-American women-owned businesses received 43.42 percent of the state HUB expenditures. Hispanic American-owned businesses came in second at 33.45 percent. The awards to Asian American-owned businesses comprised 7.94 percent, while Black American-owned businesses received 11.36 percent; Native American-owned businesses received 1.80 percent of awards and Service-disabled Veteran-owned businesses received 2.04 percent. Total dollars spent with HUBs increased by 3.29 percent or \$53.2 million compared to the first six months for fiscal year 2022.



**SUBCONTRACTING**

The following chart compares subcontracting spending with HUBs for the first six months of fiscal 2023 and 2022. See chart for subcontracting numbers below.



Note: The number of awards reflected in the table above are those made to vendor ID numbers eligible for HUB credit. Similarly, the percentages reflected in the pie chart above are based on the number of vendor ID numbers eligible for HUB credit.

\*The "Woman" category does not include women who are service-disabled veterans or of Asian Pacific American, Black American, Hispanic American and Native American ethnicities.

\*\*The "Service-Disabled Veteran" category does not include women or individuals who are of Asian Pacific American, Black American, Hispanic American and Native American ethnicities.

Source: Texas Comptroller of Public Accounts.

**BUSINESS CATEGORIES**

In comparing the first half of fiscal 2023 to the first half of fiscal 2022, state spending with HUBs increased in three categories: Heavy Construction, Special Trade and Professional Services with the total expenditures increasing by 3.29 percent or \$53,179,437.

**Fiscal 2023 – Semi-Annual\*\*\***

CATEGORY	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$3,880,786,716	\$249,608,532	6.43%
Building Construction	21.10%	\$920,021,103	\$148,813,367	16.17%
Special Trade	32.90%	\$495,524,111	\$119,189,814	24.05%
Professional Services	23.70%	\$748,747,208	\$177,824,436	23.75%
Other Services	26.00%	\$3,867,128,746	\$586,145,730	15.16%
Commodities	21.10%	\$3,654,542,444	\$387,808,711	10.61%
<b>TOTAL**</b>		<b>\$13,566,750,331</b>	<b>\$1,669,390,593</b>	<b>12.31%</b>

*Fiscal 2023 Semi-Annual Statewide HUB Subcontracting Expenditures: \$464,614,760*

**Fiscal 2022 – Semi-Annual\*\*\***

CATEGORY	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$3,684,035,538	\$192,397,460	5.22%
Building Construction	21.10%	\$1,004,191,882	\$195,567,895	19.48%
Special Trade	32.90%	\$452,033,520	\$105,458,656	23.33%
Professional Services	23.70%	\$577,698,058	\$210,334,718	36.41%
Other Services	26.00%	\$5,575,469,493	\$527,955,554	9.47%
Commodities	21.10%	\$3,326,812,695	\$384,496,874	11.56%
<b>TOTAL**</b>		<b>\$14,620,241,189</b>	<b>\$1,616,211,160</b>	<b>11.05%</b>

*Fiscal 2022 Semi-Annual Statewide HUB Subcontracting Expenditures: \$523,582,442*

**Fiscal 2022 Annual**

CATEGORY	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$7,713,373,106	\$216,220,718	2.80%
Building Construction	21.10%	\$2,018,087,961	\$471,402,613	23.36%
Special Trade	32.90%	\$1,030,693,889	\$246,189,751	23.89%
Professional Services	23.70%	\$1,274,440,937	\$315,990,871	24.79%
Other Services	26.00%	\$9,831,454,024	\$1,075,931,181	10.94%
Commodities	21.10%	\$6,951,409,718	\$786,751,023	11.32%
<b>TOTAL**</b>		<b>\$28,819,459,638</b>	<b>\$3,112,486,160</b>	<b>10.80%</b>

*Fiscal 2022 Annual Statewide HUB Subcontracting Expenditures: \$1,126,877,032*

**Fiscal 2021 Annual**

CATEGORY	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$8,262,889,980	\$444,964,253	5.39%
Building Construction	21.10%	\$2,206,929,467	\$401,274,305	18.18%
Special Trade	32.90%	\$830,222,251	\$180,680,794	21.76%
Professional Services	23.70%	\$1,446,151,287	\$660,551,306	45.68%
Other Services	26.00%	\$12,197,837,636	\$951,984,555	7.80%
Commodities	21.10%	\$6,398,183,150	\$645,672,485	10.09%
<b>TOTAL**</b>		<b>\$31,342,213,771</b>	<b>\$3,285,127,698</b>	<b>10.48%</b>

*Fiscal 2021 Annual Statewide HUB Subcontracting Expenditures: \$1,318,189,933*

\* For HUB reporting purposes, expenditures with all HUBs certified at any time during the current fiscal year are counted toward annual HUB procurement usage goals.

\*\* Slight differences in some totals are due to rounding.

\*\*\* Total for first six months of fiscal year.

Source: Texas Comptroller of Public Accounts.

**SPENDING ON STATEWIDE TERM CONTRACTS**

Term contracts are developed to consolidate the needs of multiple agencies, providing a simpler purchasing process for commonly used items and yielding lower prices through higher-volume purchases.

During the first six months of fiscal 2023, \$70.8 million more was spent through term contracts as compared to the first half of fiscal 2022. Overall, the total state spending with HUBs in term contract expenditures decreased by \$3.7 million or 13.68 percent.

**Fiscal 2023 – Semi-Annual\*\*\***

TERM CONTRACTS	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$116,504	\$0	0.00%
Building Construction	21.10%	\$2,201,104	\$116,857	5.31%
Special Trade	32.90%	\$133,546	\$0	0.00%
Professional Services	23.70%	\$907,125	\$0	0.00%
Other Services	26.00%	\$14,286,472	\$202,638	1.42%
Commodities	21.10%	\$201,173,983	\$2,904,624	1.44%
<b>TOTAL**</b>		<b>\$218,818,734</b>	<b>\$3,224,119</b>	<b>1.47%</b>

**Fiscal 2022 – Semi-Annual\*\*\***

TERM CONTRACTS	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$56,341	\$0	0.00%
Building Construction	21.10%	\$784,327	\$342,573	43.68%
Special Trade	32.90%	\$74,791	\$4,025	5.38%
Professional Services	23.70%	\$920,921	\$3,058	0.33%
Other Services	26.00%	\$9,810,053	\$354,188	3.61%
Commodities	21.10%	\$136,383,435	\$3,031,093	2.22%
<b>TOTAL**</b>		<b>\$148,029,868</b>	<b>\$3,734,937</b>	<b>2.52%</b>

**Fiscal 2022 Annual**

TERM CONTRACTS	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$63,541	\$0	0.00%
Building Construction	21.10%	\$1,364,326	\$371,817	27.25%
Special Trade	32.90%	\$502,108	\$4,626	0.92%
Professional Services	23.70%	\$1,730,448	\$0	0.00%
Other Services	26.00%	\$18,226,072	\$478,589	2.63%
Commodities	21.10%	\$325,505,869	\$6,064,475	1.86%
<b>TOTAL**</b>		<b>\$347,392,364</b>	<b>\$6,919,507</b>	<b>1.99%</b>

**Fiscal 2021 Annual**

TERM CONTRACTS	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$0	\$0	0.00%
Building Construction	21.10%	\$1,977,674	\$84,600	4.28%
Special Trade	32.90%	\$436,935	\$705	0.16%
Professional Services	23.70%	\$1,451,623	\$0	0.00%
Other Services	26.00%	\$14,900,689	\$273,261	1.83%
Commodities	21.10%	\$327,008,224	\$5,636,939	1.72%
<b>TOTAL**</b>		<b>\$345,775,145</b>	<b>\$5,995,505</b>	<b>1.73%</b>

\* For HUB reporting purposes, expenditures with all HUBs certified at any time during the current fiscal year are counted toward annual HUB procurement usage goals.

\*\* Slight differences in some totals are due to rounding.

\*\*\* Total for first six months of fiscal year.

Source: Texas Comptroller of Public Accounts.

**SPENDING ON STATEWIDE GROUP PURCHASING**

Group purchasing allows institutions of higher education to coordinate their purchases to maximize their purchasing power.

During the first half of fiscal 2023, the statewide group purchases declined by approximately \$87.8 million compared to the first half of fiscal 2022. Total state expenditures with HUBs in group purchasing decreased by 25.6 percent (approximately \$14.2 million).

**Fiscal 2023 – Semi-Annual\*\*\***

GROUP PURCHASING	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$0	\$0	0.00%
Building Construction	21.10%	\$596,562	\$532,531	89.27%
Special Trade	32.90%	\$7,780,123	\$1,930,885	24.82%
Professional Services	23.70%	\$420,099	\$83	0.02%
Other Services	26.00%	\$21,585,650	\$4,706,259	21.80%
Commodities	21.10%	\$89,804,227	\$34,244,597	38.13%
<b>TOTAL**</b>		<b>\$120,186,661</b>	<b>\$41,414,355</b>	<b>34.46%</b>

**Fiscal 2022 – Semi-Annual\*\*\***

GROUP PURCHASING	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$0	\$0	0.00%
Building Construction	21.10%	\$3,632,737	\$732,308	20.16%
Special Trade	32.90%	\$3,600,312	\$1,385,475	38.48%
Professional Services	23.70%	\$448,152	\$2,091	0.47%
Other Services	26.00%	\$49,254,281	\$9,926,708	20.15%
Commodities	21.10%	\$151,015,048	\$43,616,878	28.88%
<b>TOTAL**</b>		<b>\$207,950,530</b>	<b>\$55,663,460</b>	<b>26.77%</b>

**Fiscal 2022 Annual**

GROUP PURCHASING	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$0	\$0	0.00%
Building Construction	21.10%	\$11,888,010	\$830,420	6.99%
Special Trade	32.90%	\$16,792,595	\$2,138,501	12.73%
Professional Services	23.70%	\$679,003	\$6,026	0.89%
Other Services	26.00%	\$79,046,584	\$9,628,778	12.18%
Commodities	21.10%	\$287,953,763	\$84,294,813	29.27%
<b>TOTAL**</b>		<b>\$396,359,955</b>	<b>\$96,898,538</b>	<b>24.45%</b>

**Fiscal 2021 Annual**

GROUP PURCHASING	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$69,137	\$0	0.00%
Building Construction	21.10%	\$14,764,749	\$1,871,650	12.68%
Special Trade	32.90%	\$32,526,168	\$1,884,192	5.79%
Professional Services	23.70%	\$7,645,646	\$1,652,451	21.61%
Other Services	26.00%	\$58,885,190	\$9,982,949	16.95%
Commodities	21.10%	\$198,512,690	\$50,245,983	25.31%
<b>TOTAL**</b>		<b>\$312,403,580</b>	<b>\$65,637,225</b>	<b>21.10%</b>

\* For HUB reporting purposes, expenditures with all HUBs certified at any time during the current fiscal year are counted toward annual HUB procurement usage goals.

\*\* Slight differences in some totals are due to rounding.

\*\*\*Total for first six months of fiscal year.

Source: Texas Comptroller of Public Accounts

State agencies and higher education institutions are responsible for the accuracy of their self-reported data and are required to confirm that they have reported correct information to the Comptroller's Statewide Procurement Division before the division finalizes the state's semi-annual and annual HUB reports.