

THE UNIVERSITY OF TEXAS SYSTEM

HUB Participation: Historical Analysis

November 4, 2004

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Office of Facilities Planning and Construction*



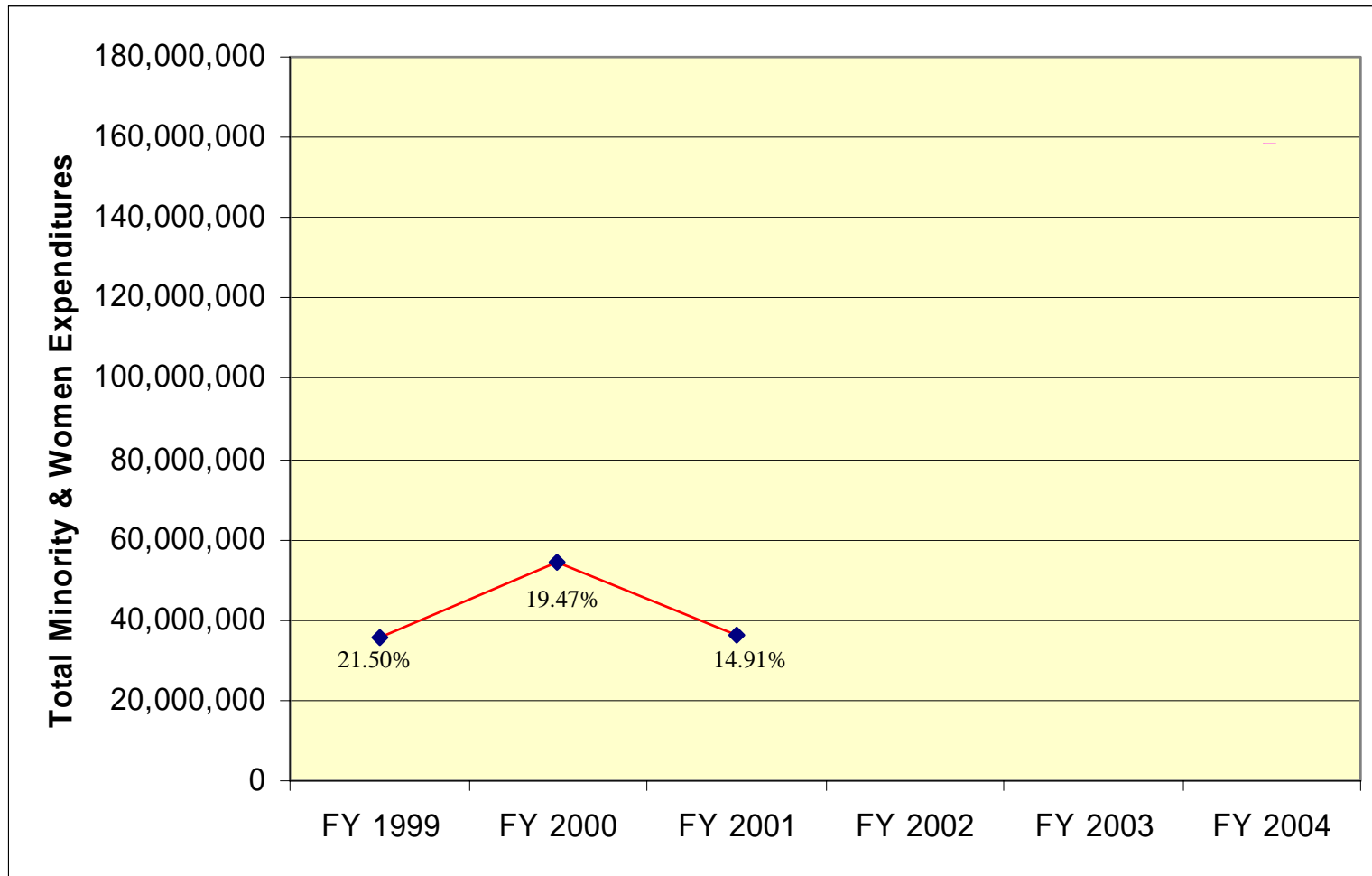
FY 2004 Spending on Minority and Women Business

Total OFPC Spending	\$649 M
Certified HUB	\$129 M (20%)
Total Minority and Woman Business	\$156 M (24%)

- Second highest spending for all state agencies (TXDOT, with total spending of 4.4B, is highest-spending agency)
- Have been second highest agency 4 of last 5 years



1999-2001 Expenditures



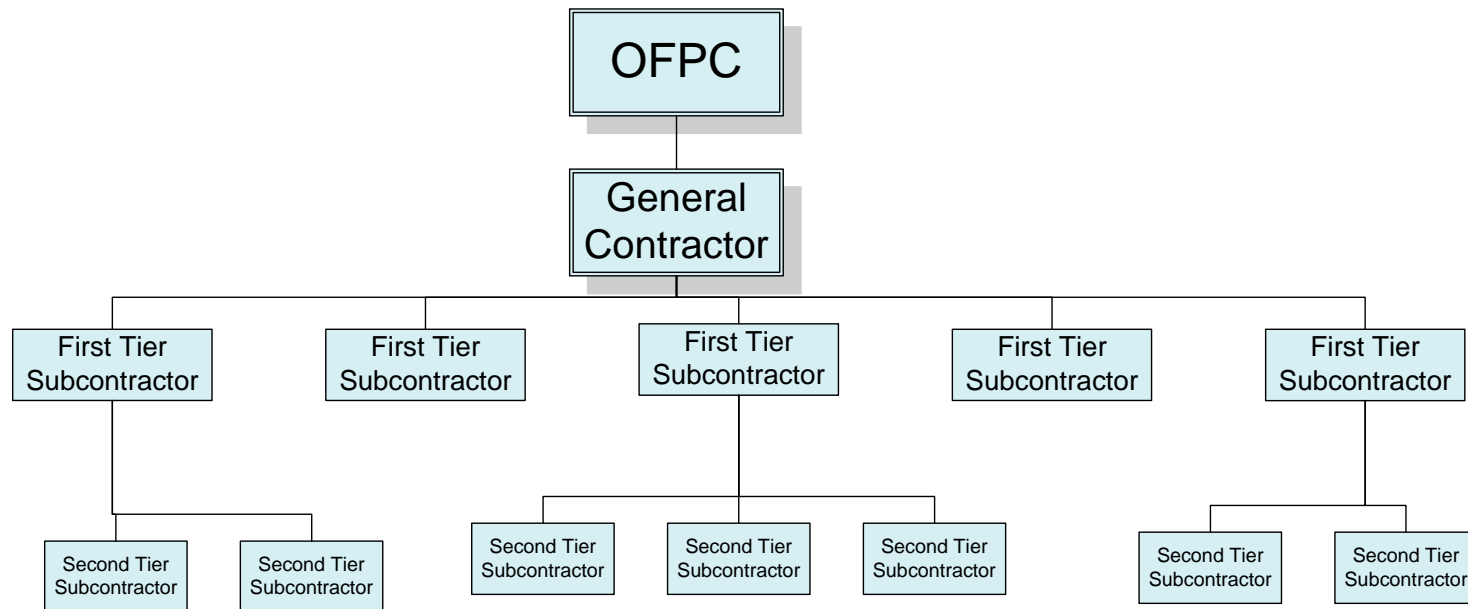


Issues / Concerns

- **Most construction dollars spent will be in large construction contracts**
- **Consequently, most first-tier subcontracts will be very large**
- **Most HUB firms will not be able to bid at first-tier level due to size**
- **Concern that HUB participation will potentially decline**



Typical Construction Contract Agreement



SB178 stipulates measurement at the General Contractor and First-Tier Subcontractor levels



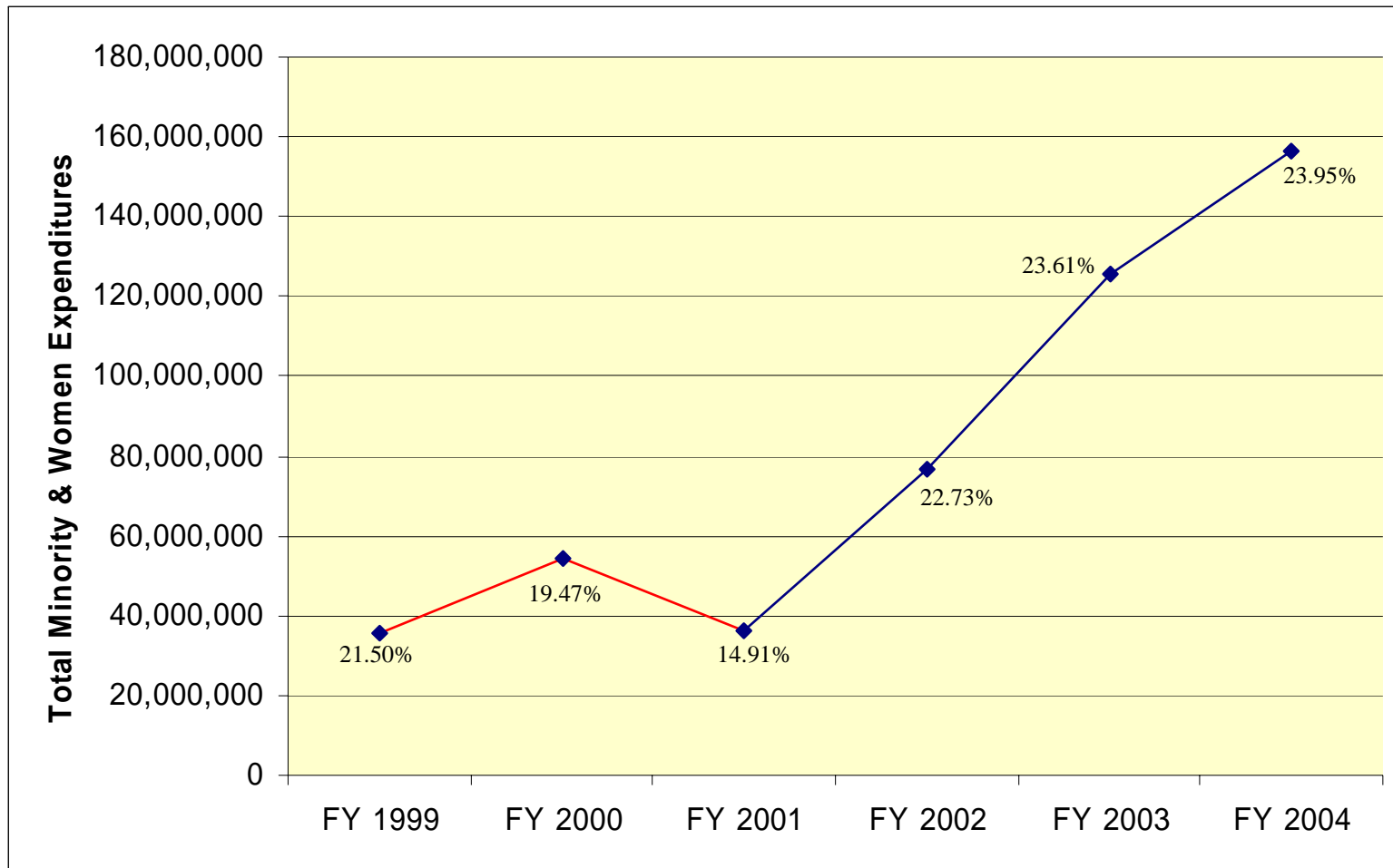
Strategic Plan

It is critical that we measure at the **second-tier level** on our large construction projects

- Pilot project with bonding and technical assistance (BTA) agent designed to penetrate the second tier subcontractors
- Pilot project to require subcontracting plans and good faith compliance for large first-tier subcontractors
- HUB Program staff expanded from 1 person to 5. Staff assigned specific construction markets and will be working with prime contractors and large first-tier subcontractors to identify opportunities for HUB special trade firms.
- An extensive ongoing program to identify capable minority special trade firms in all markets and to sponsor/participate in market-based outreach programs.



1999-2005 Expenditures





Mentor-Protégé Program

- The objective of the voluntary Mentor-Protégé Program is to provide professional guidance and support to the protégé to facilitate its development and growth for increased business capacity.
- A mentor firm must meet specific mentor eligibility criteria
 - *Be willing to provide developmental guidance*
 - *Show successful work experience with The University of Texas System*
 - *Identify individuals in their firm to assist the protégé*
- A protégé firm must meet specific eligibility criteria
 - *Be willing to become HUB certified*
 - *Show one year operational business history*
 - *Be willing to accept guidance of mentoring firm*
- Mentor-Protégé relationship has duration of at least two (2) years



Mentor-Protégé Program

- U. T. System Mentor-Protégé Program implemented in March 2001 and has had 18 mentor-protégé teams since implementation
- 8 teams have graduated from the program and 10 teams are currently active
- Professional Services FY 2004 Accomplishments
 - *3 contracts negotiated for a total of \$255,000*
 - *2 Indefinite Quantity (IDQ) contract awards pending negotiated services*
 - *3 contracts pending negotiations*
- Construction Services FY 2004 Accomplishments
 - *9 contracts awarded*
 - *Total dollar value of \$9,177,991*
 - *1 IDQ contract award pending contracted services*



Mentor-Protégé Program Teams

Mentor

Hensel-Phelps

- *Nationally known General Contractor*
- *Substantial successful experience on U. T. System Projects*
- *Corporate commitment to Bonding and Technical Assistance Program*

Haynes Whaley

- *Structural Engineering firm*
- *Engineer on numerous U. T. System Projects*
- *Offices in Washington, DC, Houston, and Austin*

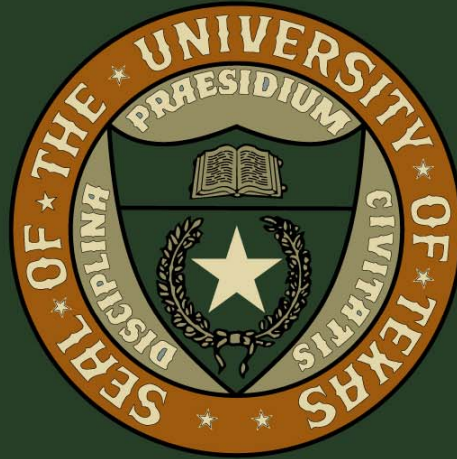
Protégé

Haynes-Eaglin-Waters

- *Austin-based HUB-certified Contractor*
- *Business focus is Doors, Frames, and Hardware*
- *Has received \$5.1M in contracts on U. T. System Projects through relationship*

Structures

- *Austin-based HUB-certified Structural Engineer*
- *Created a unique HUB firm as Structures/Haynes Whaley J.V.*
- *Resulted in 7 contracts to date, with 7 contracts pending with various agencies, including U. T. System*



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Questions?

Thank You