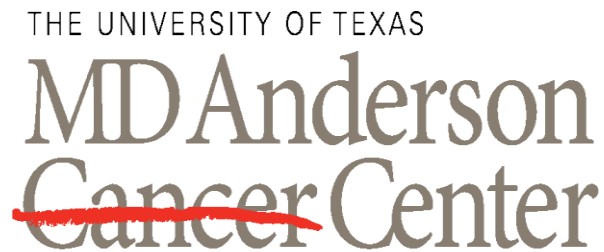


The University of Texas MD Anderson Cancer Center



Making Cancer History®

***Historically Underutilized Business
(HUB)
Strategic Plan***

Fiscal Years 2011 – 2012

Prepared June 2010

EXTERNAL AND INTERNAL ASSESSMENT

The University of Texas MD Anderson Cancer Center

The University of Texas MD Anderson Cancer Center (MD Anderson) commits to a good faith effort to maximize opportunities for Historically Underutilized Businesses (HUBs) and small business concerns (small, small-disadvantaged, woman-owned, HUBZone, veteran, and service-disabled veterans) to provide materials, supplies, equipment, and services needed to support its mission, administrative, and logistical operations of this Institution. MD Anderson strongly supports HUBs and small business concerns, whether on an ethnic or gender basis, under both state and federal guidelines.

The 71st Texas Legislative Session instilled the promulgation of policies by The University of Texas System Board of Regents, applicable to U. T. System Administration and its institutions, directing establishment of programs to assist minority and female-owned small businesses (MWBE), disadvantaged business enterprises (DBE), or Historically Underutilized Business (HUB) firms to participate as suppliers of goods and services purchased in support of MD Anderson's mission operations. Operation of these programs over the period since their inception has significantly increased opportunities for HUB firms to participate in MD Anderson's operations.

Efforts to identify and utilize HUB vendors continue to be aggressive. Group purchasing agreements encourage more leverage to obtain high quality goods at the best value. A larger portion of MD Anderson's purchases are being placed with Institutional contracts or with Premier, the cancer center's hospital group purchasing alliance. Price competitiveness is one of several important issues as is availability of HUBs and small business concerns. Required volume and stringent delivery criteria preclude utilizing many smaller vendors.

Operation of the program over the period since inception has significantly increased opportunities for HUB firms to participate in business operations. MD Anderson's expenditures with HUB firms have grown from \$18.8 million in FY 1997 to **\$94.7 million in FY 2010**.

Measurements of supply marketplace variables, including demand for goods/services for which no HUB suppliers are available, payments to non-certified HUB firms are important considerations in evaluating program performance. Payments made by this agency to non-certified HUB firms are significant and should be considered in the evaluation of program results.

The nature and types of medical malpractice claims are extremely varied. Some claims have minimal exposure to the insured physician if properly handled; other claims involve multi-million dollar exposure, exceeding policy limits, with substantial risk to the estate of the individual defendant. It is deemed preferable to match each case with the defense attorney's skill, experience and knowledge of local judge and jury situations. Approximately 50% of U. T. System Self-Insurance Plan cases involve HUB non-capacity. The justification for this estimate is found in the complexity of the cases, exposure of individual faculty physicians, need for local representation, and requisite legal expertise.

The University of Texas MD Anderson HUB GOAL – Utilization of Historically Underutilized Business (HUB) Firms

The University of Texas MD Anderson Cancer Center promotes full and equal opportunity for all businesses to supply the goods and services needed to support the mission, administrative, and business operations of the institution. MD Anderson commits to a good faith effort to increase purchases from and contract awards to HUB firms consistent with the state's goals for HUB participation and overall economic development (see *Regents Rules & Regulations/03/18/2008*).

Historically Underutilized Businesses (HUB)

- 1. Objective:** Establish administrative structures and procedures necessary for effective and efficient operation and management control of the HUB and Federal Small Business Program.

Outcome Measure: Effective management direction and control of the HUB program.

Strategy #1: Develop necessary administrative structures and operating systems.

Specify an operating division structure for the purpose of defining responsibility and accountability for achieving HUB program goals and objectives. Organize a Staff Coordinating Group (SCG) to provide functional staff expertise, advice and counsel regarding implementation of all aspects of the HUB program. The HUB and Federal Small Business Program (HFSB) will develop and maintain a HUB utilization reporting system that will serve both management information and external reporting requirements.

Output Measure

- Internal program designed to emphasize education and exposure of all MD Anderson personnel to HUBs and small business concerns, effectively administered through:
 - Operating Division Structure
 - Supply Chain Management Compliance Committee (Staff Coordinating Group)
 - Meetings of Agency Head and Operating Division Heads, Staffs and Staff Coordinating Groups regarding HUB Program administration.
 - Periodic internal HUB Program performance reports.
 - Mid-Fiscal Year and Fiscal Year HUB reports required by the Texas Procurement & Support Services (TPASS) division of the Comptroller of Public Accounts (CPA).
 - Participation on Institutional Diversity Committee.
- 2. Objective:** Make a good faith effort to utilize HUB firms to supply the following percentages of the total purchased value of *commodities, construction, professional, and other services*:

Fiscal Year 2011

	<u>Total Expenditures</u>	<u>Expected HUB Expenditures</u>	<u>Expected HUB Percentage</u>
<u>Building Construction</u>	\$129.3M	\$28.6M	22.11%
<u>Special Trade Construction</u>	\$ 43.7M	\$14.0M	32.16%
<u>Professional Services</u>	\$ 11.9M	\$ 4.0M	34.80%
<u>Other Services</u>	\$165.7M	\$35.2M	21.28%
<u>Commodities</u>	\$548.0M	\$42.6M	7.77%

Fiscal Year 2012

	<u>Total Expenditures</u>	<u>Expected HUB Expenditures</u>	<u>Expected HUB Percentage</u>
<u>Building Construction</u>	\$	\$	%
<u>Special Trade Construction</u>	\$	\$	%
<u>Professional Services</u>	\$	\$	%
<u>Other Services</u>	\$	\$	%
<u>Commodities</u>	\$	\$	%

Outcome Measure: Percent of the total number of purchase contracts awarded to HUB firms detailed by object code based on median of 4 years historical expenditure data. Percent of the total dollar value of purchase contracts awarded to HUB firms (Attachment A).

Strategy #2: Instruct HUB vendors regarding agency business opportunities, practices, and procedures.

Output Measure:

- Maintain continuous liaison with the local/regional HUB and small business concern business community through:
 - Liaison to and from HUB business associations and organizations in the Division's market area
 - Attendance and participation in economic opportunity forums
 - Sponsorship of vendor forums
 - Administration of a Mentor-Protégé program
 - Strategic Supplier Orientation Program
 - Training presentations to HUB and small business concern vendor community on how to do business with MD Anderson
 - Use of advertising, emails, and brochures to promote the HUB program

Strategy #3: Solicit bids and proposals from HUB vendors on a continuous and consistent basis.

Utilize and supplement, as appropriate, purchasing rules and regulations published by TPASS in support of HUB objectives.

Output Measure:

- Solicitations of HUB vendors as a percentage of total solicitations.
 - Email current bid opportunities to external advocacy groups and local HUB community business organizations
 - Distribution of current bid opportunities provided at HUB networking events
 - HUB source lists provided on regular basis to internal and external construction/facilities teams as sourcing tool for Institutional projects

Strategy #4: Maintain a system to monitor individual buyer/sourcing analyst performance as relates to institutional HUB and Federal Small Business Program goals and objectives.

Output Measure:

- Inclusion of Procurement and Sourcing teams in outreach events
- Buyers/Sourcing teams track HUB bids and proposals for each purchase category and report regularly to the HUB team.
- Collaborate with Supply Customer Service on production of a report to track HUB participation by Sourcing Team.

Strategy #5: Invite Historically Underutilized Businesses to deliver technical and business presentations that demonstrate their capability to do business with MD Anderson.

- The HFSB Team will invite HUBs to deliver technical and business presentations that demonstrate their capability to do business with MD Anderson.
 - Presentations may be scheduled in building construction, special trade, professional services, other services or commodities.
 - Contract Managers, Sourcing and procurement personnel are be invited to receive the presentations.
 - HFSB invites appropriate senior managers and procurement personnel to receive the presentations.
- MD Anderson sponsors two annual Professional Services forums for HUB and Small business concerns
- HFSB sponsors an annual internal forum for HUB and small business vendors.
 - Vendors in all purchasing categories are invited.

Output Measure:

- Number of technical and business presentations received
- Number of forums held

Strategy #6: Provide on-campus training for certified HUB companies detailing the RFP process and presentation skills.

Output Measure:

- Present training classes twice a year
- Number of firms attending the RFP training
- Number of firms attending the presentation skills training
- Number of HUB firms successful in doing business with MD Anderson as a result of taking the class.

Strategy #7: Maintain current Mentor-Protégé program to foster long-term relationships between prime contractors and HUBs and to increase the capacity of HUBs to contract with the state or to receive subcontracts under a state contract.

Output Measure:

- Number of Mentor-Protégé teams established detailed by ethnic/gender groups, as well as protégé trade.

**The University of Texas M. D. Anderson Cancer Center
Supply Chain Management
HUB and Federal Small Business Program
Strategic Plan Supplement FY 2011**

	Building		Special Trade		Professional Services		Other Services		Commodity	
2010	HUB Participation \$47,790,150.00 18.58%	Total Expenditures \$257,165,303.00	HUB Participation \$6,493,560.00 16.00%	Total Expenditures \$40,591,048.00	HUB Participation \$4,188,394.00 56.31%	Total Expenditures \$7,438,013.00	HUB Participation \$18,757,680.00 11.99%	Total Expenditures \$156,380,997.00	HUB Participation \$17,525,972.00 2.96%	Total Expenditures \$592,604,108.00
2009	HUB Participation \$45,567,744.00 16.18%	Total Expenditures \$281,713,336.00	HUB Participation \$5,756,187.00 9.21%	Total Expenditures \$62,470,375.00	HUB Participation \$8,143,662.00 72.42%	Total Expenditures \$11,244,382.00	HUB Participation \$16,751,770.00 9.57%	Total Expenditures \$174,992,055.00	HUB Participation \$15,946,848.00 2.91%	Total Expenditures \$548,321,512.00
2008	HUB Participation \$24,302,682.00 17.66%	Total Expenditures \$137,591,943.00	HUB Participation \$2,266,858.00 4.85%	Total Expenditures \$46,760,110.00	HUB Participation \$6,690,222.00 39.30%	Total Expenditures \$17,022,157.00	HUB Participation \$20,221,867.00 9.43%	Total Expenditures \$214,453,915.00	HUB Participation \$25,487,009.00 4.65%	Total Expenditures \$547,804,443.00
2007	HUB Participation \$29,812,213.00 20.74%	Total Expenditures \$143,727,939.00	HUB Participation \$1,164,739.00 5.03%	Total Expenditures \$23,134,988.00	HUB Participation \$5,402,073.00 42.87%	Total Expenditures \$12,600,243.00	HUB Participation \$14,865,552.00 9.52%	Total Expenditures \$156,221,355.00	HUB Participation \$14,316,347.00 2.92%	Total Expenditures \$491,068,749.00
* Median	HUB Participation 18.12%	Total Expenditures \$129,301,291.00	HUB Participation 7.12%	Total Expenditures \$43,675,579.00	HUB Participation 49.59%	Total Expenditures \$11,922,313.00	HUB Participation 9.55%	Total Expenditures \$ 165,686,526.00	HUB Participation 2.94%	Total Expenditures \$ 548,062,978.00
State Goals	26.10%		57.20%		20.00%		33.00%		12.60%	
**Adjusted Goals	22.11%	\$28,588,515.44	32.16%	\$14,046,066.21	34.80%	\$4,148,964.92	21.28%	\$35,258,092.73	7.77%	\$42,584,493.39

* Median - Eliminate high and low percentages; average the two remaining for the Median %

**Adjusted Goals - "Closing the Gap" between current agency Median HUB participation and assumptive state goals
(Establishes an Agency Goal by averaging the Median and the State Goal)

Note: Heavy Construction Totals = \$0.00 for all years.

**The University of Texas MD Anderson Cancer Center
Supply Chain Management
HUB and Federal Small Business Program
Strategic Plan Supplement FY 2012**

	Building		Special Trade		Professional Services		Other Services		Commodity	
2011	HUB Participation \$ 20,231,212.00 15.00%	Total Expenditures \$ 135,164,887.00	HUB Participation \$ 11,896,075.00 24.00%	Total Expenditures \$ 49,593,610.00	HUB Participation \$ 4,721,786.00 50.10%	Total Expenditures \$ 9,425,711.00	HUB Participation \$ 22,045,168.00 10.90%	Total Expenditures \$ 202,261,024.00	HUB Participation \$ 25,995,937.00 3.80%	Total Expenditures \$ 687,757,716.00
2010	HUB Participation \$47,790,150.00 18.58%	Total Expenditures \$257,165,303.00	HUB Participation \$6,493,560.00 16.00%	Total Expenditures \$40,591,048.00	HUB Participation \$4,188,394.00 56.31%	Total Expenditures \$7,438,013.00	HUB Participation \$18,757,680.00 11.99%	Total Expenditures \$156,380,997.00	HUB Participation \$17,525,972.00 2.96%	Total Expenditures \$592,604,108.00
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* Median	HUB Participation 16.92%	Total Expenditures \$197,693,623.00	HUB Participation 12.60%	Total Expenditures \$48,176,860.00	HUB Participation 53.20%	Total Expenditures \$10,335,047.00	HUB Participation 10.24%	Total Expenditures \$ 188,626,540.00	HUB Participation 3.38%	Total Expenditures \$ 570,462,810.00
State Goals	21.10%		32.70%		23.60%		24.60%		21.00%	
**Adjusted Goals	19.01%	\$37,581,557.73	22.65%	\$10,912,058.79	38.40%	\$3,968,658.05	17.42%	\$32,858,743.27	12.19%	\$69,539,416.54

* Median - Eliminate high and low percentages; average the two remaining for the Median %

**Adjusted Goals - "Closing the Gap" between current agency Median HUB participation and assumptive state goals
(Establishes an Agency Goal by averaging the Median and the State Goal)

Note: Heavy Construction Totals = \$0.00 for all years.