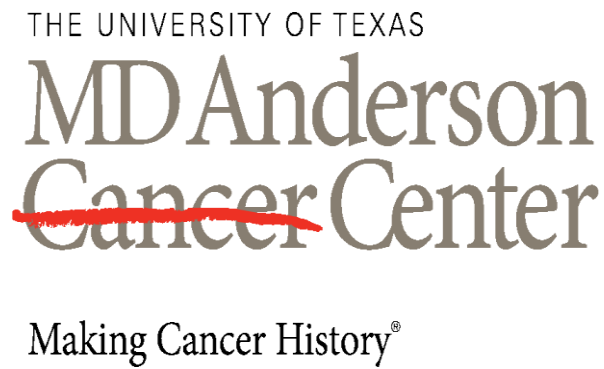


The University of Texas MD Anderson Cancer Center



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

Fiscal Years 2013 – 2014

Prepared June 2012

EXTERNAL AND INTERNAL ASSESSMENT

The University of Texas MD Anderson Cancer Center

The University of Texas MD Anderson Cancer Center (MD Anderson) promotes full and equal opportunity for all businesses to supply the goods and services needed to support the mission and administrative and business operations of the institution. MD Anderson strongly supports HUBs and SBCs, whether on an ethnic or gender basis, under both state and federal guidelines. 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, Rule 20701/03/18/2008*).

In addition, MD Anderson and the HUB and Federal Small Business Program (HFSB) commit to a good faith effort to maximize opportunities for small business concerns (SBCs) (small, small-disadvantaged, woman-owned, HUBZone, veteran, service-disabled veterans, and Alaskan Native Indian small businesses) to provide materials, supplies, equipment, and services needed to support its mission and administrative and logistical operations. (*Public Law 95-507*)

The 71st Texas Legislative Session directed the establishment of programs to assist minority and woman-owned small businesses (MWBE), disadvantaged business enterprises (DBE), or HUB firms, to participate as suppliers of goods and services purchased in support of MD Anderson's mission. Implementation of these programs over the period since their inception has significantly increased opportunities for HUB and SBC firms to participate in MD Anderson's operations.

Efforts by MD Anderson to identify and utilize HUB and SBC suppliers continue to be aggressive. However, requirements for large volumes of products or services and stringent delivery criteria often create a challenge for small vendor participation. Group purchasing agreements encourage more leverage to obtain high quality goods at the best value. Additionally, a larger portion of MD Anderson's purchases are being placed with institutional contracts or with Premier, the institutions group purchasing organization. Price competitiveness is one of the several important issues impacting HUB and SBC suppliers, as is availability of

HUBs and SBCs firms to supply the often required highly specialized products and services.

But, notwithstanding these challenges, MD Anderson's expenditures with HUB firms have grown from \$22.2 million in FY2001 to \$85.1 million in FY2011. Measurements for HUB participation assessment, including demand for goods/services for which no HUB suppliers are available, and payments to non-HUB firms results in a negative impact on evaluating program performance. Payments made by this agency to certified small businesses, certified by the Federal Government but not by the State of Texas, are significant and should be considered in the evaluation of program results.

Historically Underutilized Businesses (HUB)

A. GOAL

We will administer the operations, structures and procedures necessary for effective and efficient management of the HUB and Federal Small Business Program (HFSB) within MD Anderson and the State.

A.1. OBJECTIVE

Maintain program compliance and increase awareness of HFSB Program within MD Anderson.

OUTCOME MEASURE

Program adheres to all regulatory requirements and increased dollar value and/or percentage of HUB participation.

A.1.1. STRATEGY

Administer HFSB structures, operating systems and procedures for maximum results.

OUTPUT MEASURES

- A.1.1.1 Operating Division Structure defines responsibility and accountability for achieving HFSB Program goals
- A.1.1.2 Supply Chain Management Compliance Sub-Committee (Staff Coordinating Group) supports the HFSB Program through active participation
- A.1.1.3 Participation on Institutional Diversity Committee increases awareness of HFSB Program within MD Anderson

A.1.2. STRATEGY

Maintain a HUB utilization reporting system that serves both internal and external reporting requirements.

OUTPUT MEASURES

- A.1.2.1 Periodic internal HFSB Program performance reports reflect increased HUB participation and good faith efforts
- A.1.2.2 Reports required by the Texas Procurement & Support Services (TPASS) division of the Comptroller of Public Accounts (CPA) and MD Anderson executives are produced and submitted accurately and on time

B. GOAL

We will make a good faith effort to utilize HUB and SBC firms to supply the following percentages of the total purchased and subcontracted value of commodities, construction, professional and other services:

Fiscal Year 2013

	<u>Total Expenditures</u>	<u>Expected HUB Expenditures</u>	<u>Expected HUB Percentage</u>
<u>Building Construction</u>	\$58.3M	\$14.1M	24.13%
<u>Special Trade Construction</u>	\$ 52.1M	\$ 7.7M	14.73%
<u>Professional Services</u>	\$ 14.7M	\$ 9.7M	66.07%
<u>Other Services</u>	\$235.8M	\$27.6M	11.70%
<u>Commodities</u>	\$726.3M	\$34.1M	4.69%
TOTALS	\$1,087.2M	\$93.1M	8.60%

Fiscal Year 2014

	<u>Total Expenditures</u>	<u>Expected HUB Expenditures</u>	<u>Expected HUB Percentage</u>
<u>Building Construction</u>	\$269.4M	\$46.8M	17.38%
<u>Special Trade Construction</u>	\$ 46.3M	\$ 7.1M	15.36%
<u>Professional Services</u>	\$ 11.1M	\$ 6.8M	61.19%
<u>Other Services</u>	\$219.1M	\$24.8M	11.30%
<u>Commodities</u>	\$640.2M	\$21.6M	3.38%
TOTALS	\$1,186.1M	\$107.1MM	9.03%

B.1 OBJECTIVE

To include HUBs and SBCs in all phases of procurement opportunities, thus achieving procurement program goals through the total value of direct contracting and subcontracting opportunities awarded annually.

OUTCOME MEASURE

Percentage of Total Dollar Value of purchasing contracts and subcontracts awarded directly or indirectly to HUBs.

B.1.1 STRATEGY

Instruct HUB and SBC suppliers regarding agency business opportunities, practices and procedures.

OUTPUT MEASURES

- B.1.1.2 Liaison with local advocacy groups and organizations in the market area
- B.1.1.3 Attendance and participation in economic opportunity forums
- B.1.1.4 Sponsorship of supplier forums
- B.1.1.5 Administration of Mentor-Protégé Program
- B.1.1.6 Training presentations to HUB and SBC supplier community on how to do business with MD Anderson
- B.1.1.7 Use of advertising, e-mails, and brochures to promote the HFSB Program

B.1.2 STRATEGY

Solicit bids and proposals from HUB and SBC suppliers on a continuous and consistent basis.

OUTPUT MEASURES

- B.1.2.1 Current bid opportunities are e-mailed monthly to external advocacy groups and small business organizations, such as HMSDC and WBEA.
- B.1.2.2 Current bid opportunities are distributed at HFSB networking events outside of MD Anderson
- B.1.2.3 HFSB source lists provided on regular basis to internal and external construction/facilities teams as sourcing tool for institutional projects
- B.1.2.4 HUBs contacted for each solicitation posted on the MD Anderson Webpage
- B.1.2.5 Business procedures include providing inquiring HUBs and SBCs a template e-mail on how to do business with MD Anderson, on-line registration procedures, points of contact within Supply Chain Management and website locations to find current bids and upcoming events.

B.1.3 STRATEGY

Maintain a system to monitor individual buyer/sourcing personnel performance as relates to institutional HUB and Federal Small Business Program goals and objectives.

OUTPUT MEASURES

- B.1.3.1 Inclusion of Procurement and Sourcing teams in outreach events
- B.1.3.2 Buyers/Sourcing teams track HUB bids and proposals for each purchase category and report regularly to the HFSB Program office.
- B.1.3.3 Collaborate with Supply Customer Service on production of a report to track HFSB participation by Sourcing Team.
- B.1.3.4 Inclusion of HFSB team in the formation of sourcing events to ensure inclusion of HUB and SBC suppliers in bid notifications

B.1.4 STRATEGY

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

OUTPUT MEASURES

- B.1.4.1 Presentations by HUB and SBC suppliers scheduled in areas of building construction, special trade, professional services, other services or commodities.
- B.1.4.2 Sourcing personnel are invited and participate in HUB and SBC presentations
- B.1.4.3 HUB and SBC suppliers are invited and participate in the annual internal HUB Supplier EXPO
- B.1.4.4 Number of technical and business presentations received

B.1.5 STRATEGY

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

OUTPUT MEASURES

- B.1.5.1 Present progressive 3-part training classes annually
- B.1.5.2 Number of HUB firms successful in doing business with MD Anderson subsequent to participation in training classes

B.1.5.3 Number of internal HUB and SBC forum presentations

B.1.5.4 Number of MBE Idol presentations reviewed and critiqued

B.1.6 STRATEGY

Maintain current Mentor-Protégé program to foster operational development of HUBs and SBCs with the potential for promoting long-term relationships between prime contractors and HUBs.

OUTPUT MEASURES

B.1.6.1 Increased capacity and capability of HUBs to do business with the state

B.1.6.2 Number of HUBs receiving state contracts or subcontracts

B.1.6.3 Number of Mentor-Protégé teams facilitated by MD Anderson; tracked by ethnic/gender group and protégé trade

B.1.6.4 Success of Protégé to meet all goals identified in the contract

B.1.6.5 Monthly meetings are held to facilitate progress and measure progress toward goals

B.1.6.6 Meeting minutes reflect progress per goal and success of the team