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TEXAS LOTTERY COMMISSION

Gary Grief, *Executive Director*

Alfonso D. Royal III, *Charitable Bingo Operations Director*

Supplemental Letter for FY 2015 Semi-Annual HUB Report for Agency Number 362

The Texas Lottery Commission is committed to including Historically Underutilized Businesses (HUBs) in its procurements by providing substantial opportunities for both direct contracting and subcontracting. The agency promotes HUB inclusion by actively recruiting HUB vendors and encouraging prime contract vendors to extend subcontracting opportunities to HUBs. Our "good faith efforts" to ensure continued HUB participation during the first six months of FY 2015 included the following:

- Estimating total value of contract awards and establishing agency HUB goals for FY 2015;
- Reviewing contract solicitations with an expected value of \$100,000 or more to determine the probability of HUB subcontracting, prior to releasing solicitation documents;
- Conducting pre-bid and pre-proposal conferences to educate bidders/proposers about the agency's HUB policy and HSP requirements;
- Assisting bidders/proposers with the HSP process by offering one-on-one workshops and review of draft HSPs;
- Participating in the HUB Discussion Workgroup, which is composed of state agency HUB Coordinators who meet to share information and provide proactive feedback to the Texas Procurement and Support Services Division of the CPA;
- Overseeing two Mentor Protégé relationships in accordance with 34 TAC 20.28;
- Participating in economic opportunity forums and HUB-related outreach events throughout the state to provide bid opportunities and information about the agency's procurements;
- Assisting eligible vendors with HUB certification through the CPA; and
- Providing updates to Texas Lottery Commissioners and Executive Management regarding the agency's HUB/minority participation.

The Texas Lottery would like to highlight additional expenditures made, but not captured by the Statewide HUB Report. During this reporting period, the agency was unable to include approximately **\$1,033** in subcontracting payments made to a minority business that was previously, but is not currently HUB certified. The agency also paid certified HUBs approximately **\$4,808** for goods and services using several object codes which are not included in the statewide report. Finally, the Texas Lottery had a major HUB contractor graduate from the program just prior to FY 2015. HUB subcontracting dollars associated with this contract are now being reported. However, the net loss to the agency during this reporting period is approximately **\$9.1 million** of HUB credit.

The Texas Lottery Commission supports the State of Texas HUB Program and will continue to work to increase HUB participation. Should you have any questions regarding the agency's good faith efforts, please contact our HUB Coordinator, Ms. Joyce Bertolacini, at (512) 344-5293.

A handwritten signature in black ink, appearing to read "Gary Grief", is written over a horizontal line.

Gary Grief, Executive Director